

FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2023

M. GREEN AND COMPANY LLP
Certified Public Accountants

FAMILY SERVICES OF TULARE COUNTY
A Non-Profit Corporation

TABLE OF CONTENTS

	<u>Page No.</u>
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS:	
Statement of Financial Position.....	4
Statement of Activities.....	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to Financial Statements	9
OTHER SUPPLEMENTARY INFORMATION:	
Supplemental Schedule of Support and Expenses by Funding Source – Federal Financial Assistance.....	19
Supplemental Schedule of Support and Expenses by Funding Source – State and Local Grants.....	20
Schedule of Expenditures of Federal Awards.....	21
Notes to Schedule of Expenditures of Federal Awards.....	22
Statement of Costs Claimed and Accepted.....	23
OTHER INDEPENDENT AUDITORS' REPORTS:	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	27
Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	29
FINDINGS AND QUESTIONED COSTS SECTION:	
Schedule of Findings and Questioned Costs.....	32
Corrective Action Plan.....	38
Schedule of Prior Year Audit Findings	40



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M. GREEN AND COMPANY LLP

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Board of Directors
Family Services of Tulare County

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Family Services of Tulare County, a California non-profit corporation, which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Family Services of Tulare County as of June 30, 2023, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Family Services of Tulare County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Family Services of Tulare County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit;
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- obtain an understanding of internal control relevant to the audit 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 Family Services of Tulare County's internal control. Accordingly, no such opinion is expressed;
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements;
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Family Services of Tulare County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Supplementary Information

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

Other Matter

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The Statement of Costs Claimed and Accepted is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 5, 2024, on our consideration of Family Services of Tulare County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Family Services of Tulare County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Family Services of Tulare County's internal control over financial reporting and compliance.

M. Green and Company LLP

Visalia, California
April 5, 2024

FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 261,390	
Investments	2,038,164	
Grants receivable	810,971	
Prepaid expenses	<u>2,681</u>	
Total current assets		\$ 3,113,206

NON-CURRENT ASSETS:

Deposits	23,724	
Property and equipment, at cost:		
Land	313,945	
Buildings and improvements	1,580,749	
Machinery and equipment	63,401	
Furniture and fixtures	9,288	
Vehicles	250,397	
Less: accumulated depreciation	<u>(907,043)</u>	
Total non-current assets		<u>1,334,461</u>

OTHER ASSETS:

Operating lease right-of-use assets	<u>1,740,713</u>	
Total assets		<u><u>\$ 6,188,380</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Notes payable, current portion	\$ 313,904	
Operating lease liabilities, current portion	338,834	
Line of credit advances	124,117	
Accounts payable	76,349	
Accrued liabilities	<u>207,704</u>	
Total current liabilities		\$ 1,060,908

NON-CURRENT LIABILITIES:

Notes payable, net of current portion	124,051	
Operating lease liabilities, net of current portion	<u>1,415,946</u>	
Total non-current liabilities		<u>1,539,997</u>
Total liabilities		2,600,905

NET ASSETS:

Without donor restrictions, undesignated	3,475,390	
With donor restrictions	<u>112,085</u>	
Total net assets		<u>3,587,475</u>
Total liabilities and net assets		<u><u>\$ 6,188,380</u></u>

The accompanying notes are an integral part of these statements.

FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
<u>SUPPORT:</u>			
Government grants	\$ 5,478,623	\$ 250,951	\$ 5,729,574
Contributions	2,693,952	94,612	2,788,564
Fundraising	70,720	65,393	136,113
Total support	8,243,295	410,956	8,654,251
<u>REVENUE:</u>			
Counseling fees	499,397	-	499,397
Other revenue	74,085	-	74,085
Total revenue	573,482	-	573,482
NON-MONETARY DONATIONS	110,260		110,260
<u>NET ASSETS RELEASED FROM RESTRICTIONS</u>	434,290	(434,290)	-
TOTAL SUPPORT AND REVENUE	9,361,327	(23,334)	9,337,993
<u>EXPENSES:</u>			
Program services	5,723,968	-	5,723,968
Support services	1,191,569	-	1,191,569
Fundraising	255,716	-	255,716
Total expenses	7,171,253	-	7,171,253
<u>CHANGE IN NET ASSETS</u>	2,190,074	(23,334)	2,166,740
Net assets, beginning of year	1,285,316	135,419	1,420,735
Net assets, end of year	\$ 3,475,390	\$ 112,085	\$ 3,587,475

The accompanying notes are an integral part of these statements.

FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

		Supporting Services		
	Program Services	Management and General	Fundraising	Total
Salaries and wages	\$ 3,107,427	\$ 759,474	\$ 83,371	\$ 3,950,272
Payroll taxes	223,551	54,389	6,316	284,256
Insurance	367,160	62,244	9,559	438,963
Retirement	42,054	8,707	863	51,624
Administrative	427,546	83,280	23,765	534,591
Travel and conferences	44,718	5,362	17,294	67,374
Rent	264,156	46,066	6,617	316,839
Utilities and telephone	188,185	23,886	5,509	217,580
Supplies	96,693	34,886	55,788	187,367
Equipment rental	31,840	3,236	771	35,847
Food	87	113	-	200
Printing and postage	-	-	6,334	6,334
Dues and memberships	11,012	25,618	10,368	46,998
General insurance	54,458	6,603	1,930	62,991
Advertising	12,851	9,635	7,248	29,734
Repairs and maintenance	68,193	18,018	489	86,700
Educational materials	55,723	2,109	4,997	62,829
Client assistance	628,740	-	-	628,740
Interest	1	9,368	6,298	15,667
Accounting and auditing	21,608	15,952	65	37,625
Bank charges	-	5,168	5,247	10,415
Staff training	14,101	5,334	250	19,685
Total before depreciation	5,660,104	1,179,448	253,079	7,092,631
Depreciation expense	63,864	12,121	2,637	78,622
Total expenses	<u>\$ 5,723,968</u>	<u>\$ 1,191,569</u>	<u>\$ 255,716</u>	<u>\$ 7,171,253</u>

The accompanying notes are an integral part of these statements.

FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ 2,166,740
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	78,622
Non-monetary donations	(110,260)
Non-monetary income	(38,164)
Non-monetary expenses	454,386
Changes in operating assets and liabilities:	
Decrease in grants receivable	16,282
Increase in prepaid expenses	(1,629)
Increase in deposits	(10,054)
Decrease in operating lease liability	(333,013)
Decrease in accounts payable and accrued liabilities	(75,699)
	<hr/>
Net cash provided by operating activities	2,147,211

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of investments	(2,500,000)
Redemption of investments	500,000
Purchase of property and equipment	(113,481)
	<hr/>
Net cash used by investing activities	(2,113,481)

CASH FLOWS FROM FINANCING ACTIVITIES:

Proceeds from short-term borrowing	125,000
Payments made on short-term borrowing	(346,964)
	<hr/>
Net cash used by financing activities	(221,964)
	<hr/>
Net decrease in cash and cash equivalents	(188,234)
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Cash and cash equivalents, beginning of year	449,624
	<hr/>
Cash and cash equivalents, end of year	\$ 261,390

The accompanying notes are an integral part of these statements.

FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

SUPPLEMENTAL DISCLOSURES OF
CASH FLOW INFORMATION:

Cash paid for interest	\$ 15,666
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Noncash investing and financing activities for the year ended June 30, 2023, are as follows:

Reduction of loan balances	\$ 2,954
Less annual amounts forgiven on loans	<u>(2,954)</u>

Net payments made on loans	<u>\$ -</u>
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Purchase of investments	\$ 2,538,164
Less reinvested earnings	<u>(38,164)</u>

Net cash paid for purchase of investments	<u>\$ 2,500,000</u>
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The accompanying notes are an integral part of these statements.

FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 – Nature of Activities

Family Services of Tulare County (Family Services) is a non-profit, charitable organization formed in 1983 to operate two emergency shelters and a full range of counseling services for victims of domestic violence.

The Organization's current operations consist of the following programs:

- Emergency shelter, including meals, for battered women and children. On-site case management and counseling is provided to adult residents. Child advocates assess the needs of child residents and provide education in a therapeutic setting.
- Community-wide domestic violence crisis intervention, treatments and prevention components include three 24 hour hotlines, legal assistance with restraining orders, individual and group counseling for children and teens impacted by domestic violence and victim support groups.
- Crisis intervention, prevention and treatment for sexual assault (molest, rape) victims. Includes 24 hour hospital support, court accompaniment and counseling.
- Domestic violence and sexual assault community awareness and prevention programs with emphasis on teens and young adult audiences.
- Batterers' treatment program for perpetrators of domestic violence.
- Anger management classes for abusing parents and individuals with impulse control issues.
- Training on domestic violence and sexual assault dynamics, issues and resources to impacted professionals such as health care providers, law enforcement, educators and child welfare workers.
- Parenting skills classes.
- Individual, couples and family therapy with special emphasis on high conflict divorce and abuse and neglect.
- Supervised visitation and exchange for children at potential risk from a non-custodial parent.
- Financial assistance with emergency needs and individual and group counseling to individuals with HIV/AIDS and their families.
- Fundraising efforts in support of the above families.
- Legal assistance to survivors of domestic violence, sexual assault and stalking.
- Administrative and fiscal management in support of the above programs.

Family Services conducts its affairs under the management of an elected Board of Directors, a salaried executive director, various paid staff and unpaid volunteers. Family Services is supported primarily through government grants.

FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2 – Summary of Significant Accounting Policies

Basis of Presentation

Family Services reports information regarding its financial position and activities into two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets without Donor Restrictions - These net assets generally result from revenues generated by receiving contributions that have no donor restrictions, providing services and receiving interest from operating investments, less expenses incurred in providing program-related services, raising contributions and performing administrative functions.

Net Assets with Donor Restrictions - These net assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the donor restriction expires, that is until the stipulated time restriction ends or the purpose of the restriction is accomplished, the net assets are restricted.

Revenue Recognition

Support received is recorded as net assets without donor restriction or net assets with donor restrictions, depending on the existence and/or nature of any restrictions.

All support with donor restrictions is reported as an increase in net assets with donor restrictions. When a restriction expires, (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions. Furthermore, it is the policy of Family Services to show restricted support whose restrictions are met in the same reporting period as support without donor restrictions.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For the Statement of Cash Flows, Family Services considers all highly-liquid investments with a maturity of three months or less at the date of purchase to be cash and cash equivalents.

Investments

Family Services classifies its debt securities as “held to maturity” if it has the positive intent and ability to hold the securities to maturity and reports them in the financial statements at amortized cost. All other debt securities are classified as “available for sale” and reported at fair value. All equity securities held by the Company have readily determinable fair values and are reported at fair value. Changes in fair value are reported as interest income in the income statement.

FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2 – Summary of Significant Accounting Policies (continued)

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on assumptions market participants would use when pricing an asset. Generally accepted accounting principles provide a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Assets and liabilities that are required to be recorded at fair value on the balance sheet are categorized based on the inputs to valuation techniques as follows:

Level 1 –These are assets and liabilities where values are based on unadjusted quoted prices for identical assets in an active market Family Services has the ability to access.

Level 2 –These are assets and liabilities where values are based on the following inputs:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liability.
- Inputs which are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Property and Equipment

Property and equipment that are purchased are shown at cost. Donations of property and equipment are recorded as support at their estimated fair market value at the date of donation. Such donations are reported as support without donor restrictions unless the donor has restricted the asset for a specific purpose. Generally, all property and equipment with an acquisition cost of \$5,000 or more is capitalized, unless otherwise required by grantor agencies.

Depreciation is computed using the straight-line method over the estimated useful lives of the various assets.

Right-of-Use ("ROU") Assets and Lease Liabilities

A ROU asset is measured at the commencement date at the amount of the initially measured liability plus any lease payments made to the lessor before or after commencement date, minus any lease incentives received, plus any initial direct costs. Unless impaired, the ROU asset is subsequently measured throughout the lease term at the amount of the lease liability (that is the present value of the remaining lease payments), plus unamortized initial direct costs, and the addition or subtraction of any prepaid lease payments (accrued lease payments, less the unamortized balance of lease incentives received). Operating lease payments are recognized on a straight- line basis over the lease term.

FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2 – Summary of Significant Accounting Policies (continued)

Right-of-Use ("ROU") Assets and Lease Liabilities (continued)

Family Services of Tulare County is a lessee in noncancellable leases for building space and office equipment. Leases for equipment were evaluated using the criteria outlined in ASC Topic 842 to determine whether the equipment leases were operating or finance leases.

For operating leases, interest on the lease liabilities and the amortization of the ROU asset result in straight-line rent expense over the lease term. Variable lease expenses, if any, are recognized when incurred.

Family Services of Tulare County excludes short-term leases having initial terms of 12 months or less from the new guidance as an accounting policy and recognizes rent expense on a straight-line basis over the lease term.

Compensated Absences

Employees of Family Services are entitled to paid vacation and paid sick days, depending on job classification, length of service and other factors. The amount of compensation for future absences cannot be reasonably estimated, and accordingly, no liability has been recorded in the accompanying financial statements. Family Services' policy is to recognize the costs of compensated absences when actually paid to employees.

Functional Allocation of Expenses

The costs of providing Family Services' programs and supporting services have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the program services, support services and fundraising services benefited. The expenses that are allocated include insurance, retirement, administrative, rent, utilities and telephone, supplies, equipment rental, printing and postage and general insurance, which are allocated on the basis of estimates of time and effort.

Advertising Costs

Family Services expenses advertising costs as the advertising expense is incurred.

New Accounting Standards

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), which supersedes existing guidance for accounting for leases under Topic 842, Leases. The FASB also subsequently issued the following additional ASUs, which amend and clarify Topic 842: ASU 2018-01, Land Easement Practical Expedient for Transition to Topic 842; ASU 2018-10, Narrow-scope Improvements for Lessors; and ASU 2019-01, Leases (Topic 842): Codification Improvements. The most significant change in the new leasing guidance is the requirement to recognize right-to-use (ROU) assets and lease liabilities for operating leases on the balance sheet.

Family Services elected to adopt these ASUs effective July 1, 2022, and utilized all of the available practical expedients. The adoption had a material impact on Family Services' statement of financial position but did not have a material impact on the statement of activities. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases. The accounting for finance leases remained substantially unchanged.

FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 3 – Income Taxes

Family Services is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701(d). Accordingly, no provision has been made for income taxes.

NOTE 4 – Concentration of Credit Risk

Family Services maintains cash and cash equivalents with one bank located in California. Federally insured limit is \$250,000. At June 30, 2023, cash balance exceeding the federally insured limit was \$125,383.

NOTE 5 – Investments

Fair values of assets measured on a recurring basis at June 30, 2023, are as follows:

Fair Value Measurement at June 30, 2023				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Available-for-sale				
Mutual Funds	\$ 2,038,164	\$ -	\$ -	\$ 2,038,164

NOTE 6 – Grants Receivable

Grants receivable consists of funds expended for qualifying expenditures for which reimbursement has been committed by various funding agencies. Grants receivable as of June 30, 2023, consisted of the following:

California Office of Emergency Services	\$ 330,510
Tulare County Health and Human Services Agency	252,233
Housing and Urban Development	18,691
First 5 of Tulare County	71,036
California Department of Public Health	46,599
City of Tulare	27,616
Tulare County Sheriff's Department	9,187
Department of Justice	13,093
Superior Court of Tulare County	20,484
Miscellaneous	21,522
Total	<u>\$ 810,971</u>

FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 7 – Line of Credit

On August 23, 2019, Family Services secured a \$410,000 line of credit with Suncrest Bank to be drawn down as needed. Monthly interest payments on the outstanding principal balance is at the prime rate which was 9.75% at June 30, 2023. The line of credit matures on May 5, 2024. There was an outstanding balance of \$124,117 at June 30, 2023.

NOTE 8 – Notes Payable

The following is a summary of Family Services of Tulare County' notes payable at June 30, 2023:

EHAPCD loan, dated in 2013, from the State of California for the development of the FSTC Transitional Housing. The loan term is 10 years and shall bear interest at three percent. Repayment of the loan is deferred as long as the development is used as an emergency shelter, a transitional housing facility or a safe haven. At the completion of the initial loan term, the loan shall be forgiven. The note is collateralized by real property in Visalia, California.

\$ 310,950

Note payable to the City of Visalia, formerly known as the Redevelopment Agency of the City of Visalia, dated December 2012, for the purchase of land. The loan term is 53 years with no interest. Repayment of the loan is deferred as long as the development is used to provide for the continued availability of the property to low-income persons or families. Annually, \$482 of the loan shall be forgiven until the loan is forgiven in full. The note is collateralized by real property in Visalia, California.

20,730

Note payable to the City of Visalia, formerly known as the Redevelopment Agency of the City of Visalia, dated December 2012, for the purchase of land. The loan term is 53 years with no interest. Repayment of the loan is deferred as long as the development is used to provide for the continued availability of the property to low-income persons or families. Annually, \$2,289 of the loan shall be forgiven until the loan is forgiven in full. The note is collateralized by real property in Visalia, California.

98,407

Note payable to the City of Visalia, formerly known as the Redevelopment Agency of the City of Visalia, dated December 2012, for the purchase of land. The loan term is 53 years with no interest. Repayment of the loan is deferred as long as the development is used to provide for the continued availability of the property to low-income persons or families. Annually, \$183 of the loan shall be forgiven until the loan is forgiven in full. The note is collateralized by real property in Visalia, California.

7,868

Total notes payable
Less current portion

437,955
(313,904)

Long-term portion

\$ 124,051

FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 – Notes Payable (continued)

Annual required principal payments on these notes are as follows:

<u>For the year ending June 30,</u>	
2024	\$ 313,904
2025	2,954
2026	2,954
2027	2,954
2028	2,954
Thereafter	<u>112,235</u>
Total	<u>\$ 437,955</u>

NOTE 9 – Net Assets

Family Services' net assets at June 30, 2023 consisted of the following:

Net assets without donor restrictions:

Undesignated	\$ 3,475,390
Total net assets without donor restrictions	<u>3,475,390</u>

Net assets with donor restrictions:

Subject to expenditure for specified purpose:

Housing	42,145
Various direct program expenses	20,635
Domestic violence	14,808
In-home parenting program	13,024
Goshen Family Center	10,000
Shelter expenses	6,532
Transitional housing, Karen's House	4,354
Goshen Summer Nights	519
In-home parenting, Goshen	68
Total net assets with donor restrictions	<u>112,085</u>

Total net assets	<u>\$ 3,587,475</u>
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NOTE 10 – Non-Monetary Donations

Non-monetary donations are valued at fair value at the time of donation. Donated services are of a professional nature and are provided by volunteers that serve in various programs of Family Services. The non-monetary donations for the year ended June 30, 2023, were \$110,260, of which \$107,306 and \$2,954 were for donated services and for annual amounts forgiven on loans, respectively.

FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 11 – Leasing Activities

Family Services of Tulare County leases 13 facilities under long-term operating lease agreements. The leases have remaining lease terms of 6 months to 97 months as of June 30, 2023. Additionally, Family Services of Tulare County has two equipment operating leases with varying dates of expiration of March 2027 and June 2024. Some of the leases include options to extend and options to cancel. None of these options were deemed likely to be exercised. There were no contingent rentals or sublease rental income associated with these leases.

The Organization elected to use the risk-free rate of return when evaluating leases for which an interest rate was not available. The three-year treasury rate as of the date of evaluation was 2.9%, depending on the remaining term of the contract and the execution date of the contract. The Organization elected not to separate lease components from non-lease components when allocating consideration for all leases.

The following summarizes the line items in the statement of activities which include the components of lease expense for the year ended June 30, 2023:

Operating lease cost	<u>\$ 395,443</u>
Short-term lease costs	<u>\$ 27,709</u>

The following summarizes the weighted average lease terms and discount rates as of June 30, 2023:

Weighted Average Remaining Lease Term:	
Operating Leases	2.37%
Weighted Average Discount Rate:	
Operating Leases	2.87%

The maturities of lease liabilities as of June 30, 2023 were as follows:

<u>Year Ending June 30,</u>	<u>Operating</u>
2024	\$ 384,497
2025	299,548
2026	306,756
2027	279,343
2028	219,440
Thereafter	428,142
Total lease payments	<u>1,917,726</u>
Less: imputed interest	<u>(162,946)</u>
Present value of lease liabilities	<u>\$ 1,754,780</u>

FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 12 – California Office of Emergency Services – Local Matching Requirements

During the fiscal year, Family Services had nine grants from the California Office of Emergency Services (Cal OES). Each grant contained a cash portion and may have required additional local matching by Family Services. The revenue and expenses presented in the Supplemental Schedules of Support and Expenses by Funding Source under the Cal OES columns reflect only those items of income and expense attributable to the cash portion of the grants. Amounts attributable to the local matching requirements, are detailed below:

	Child Abuse Treatment Program	Victim Services	Supervised Visitation
<u>Personal Services:</u>			
Without donor restrictions			
In-kind volunteers	\$ -	\$ -	\$ -
Therapists	64,383	-	-
Other sources	-	1,694	12,142
<u>Operating Services:</u>			
Unrestricted fund:			
Other	-		2,745
In-kind donation	-	2,038	-
Totals	<u>\$ 64,383</u>	<u>\$ 3,732</u>	<u>\$ 14,887</u>

NOTE 13 – Retirement Plan

Employees of Family Services are covered under a 403(b) Retirement Plan. All employees are eligible to participate in this tax-sheltered annuity and are allowed to make elective deferrals as of the first day of employment. For employees working a minimum of 30 hours per week, following the first two months of employment, Family Services contributes a dollar for every employee's dollar contribution with a maximum of \$50 per month. All employees are allowed access to the plan after reaching the age of 59 ½. The total contribution for the year ended June 30, 2023, was \$51,624.

FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 14 – Liquidity and Availability of Resources

Family Services receives support from restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, Family Services must maintain sufficient resources to meet those responsibilities to its donors and grantors, therefore, financial assets may not be available for general expenditure within one year. In the event of an unanticipated liquidity need, Family Services could also draw upon \$410,000 of available line of credit, as described in Note 7.

The following table reflects Family Services' financial assets as of June 30, 2023, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions or internal designations. Amounts available include donor-restricted amounts that are available for expenditure in the following year.

Financial assets:

Cash and cash equivalents	\$ 261,390
Investments	2,038,164
Grants receivable	<u>810,971</u>

Financial assets available to meet cash needs for
general expenditures within one year

\$ 3,110,525

NOTE 15 – Fair Value

Accounting principles generally accepted in the United States of America require disclosure of an estimate of fair value of certain financial instruments. Family Services' significant financial instruments are cash and cash equivalents, grants receivable and other short-term assets. For these financial instruments, carrying values approximate fair value.

NOTE 16 – Subsequent Events

Management has evaluated subsequent events through April 5, 2024, the date on which the financial statements were available to be issued, and has determined that no adjustments are necessary to the amounts reported in the accompanying financial statements. However, subsequent events have occurred, the nature of which have been included below. The Organization has renewed several leases which have been included in the summarization in Note 11.

OTHER SUPPLEMENTARY INFORMATION

FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
SUPPLEMENTAL SCHEDULE OF SUPPORT AND EXPENSES
BY FUNDING SOURCE – FEDERAL FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2023

	California Office of Emergency Services	Department of Justice	Federal Emergency Management Agency	California Department of Public Health	Department of Housing and Urban Development	Tulare County Health and Human Services Agency	Tulare County Sheriff's Department	Superior Court of Tulare County	Fresno Economic Opportunities Commission	City of Tulare	City of Porterville	City of Visalia	Total
Support:													
Government grants	\$ 1,713,276	\$ 172,629	\$ 107,750	\$ 275,806	\$ 179,537	\$ 78,680	\$ 27,749	\$ 83,437	\$ -	\$ 255,139	\$ 25,429	\$ 50,423	\$ 2,969,855
Counseling fees	-	-	-	-	-	328,251	-	-	-	-	-	-	328,251
Other revenue	-	-	-	-	-	-	-	-	-	30,619	-	1,098	31,717
Total support	1,713,276	172,629	107,750	275,806	179,537	406,931	27,749	83,437	-	285,758	25,429	51,521	3,329,823
Expenses:													
Salaries and wages	1,024,042	96,902	13,889	89,204	37,940	190,997	17,913	59,734	-	33,887	15,209	26,197	1,605,914
Payroll taxes	74,758	7,268	1,050	6,943	2,738	14,074	1,219	4,492	-	2,465	1,026	2,153	118,186
Insurance	123,361	10,400	1,418	13,328	4,022	24,707	1,933	5,746	-	3,046	2,185	3,454	193,600
Retirement	14,651	1,488	177	2,154	405	2,432	267	687	-	293	123	69	22,746
Administrative	242,496	23,465	21,132	10,808	8,547	129,277	2,691	2,306	-	7,144	2,297	4,742	454,905
Travel and conferences	6,100	1,001	120	6,860	859	3,552	-	-	-	174	299	461	19,426
Rent	33,890	8,885	33,580	7,319	3,567	44,543	1,640	5,475	-	3,022	1,284	3,484	146,689
Utilities and telephone	55,199	5,076	12,785	4,098	8,116	20,406	979	3,077	-	1,766	711	2,019	114,232
Supplies	20,582	2,345	772	1,464	694	6,559	318	6,063	-	618	1,800	744	41,959
Equipment rental	10,318	1,008	572	731	416	2,363	189	642	-	390	147	406	17,182
Food	-	-	87	-	-	-	-	-	-	-	-	-	87
Dues and memberships	3,948	75	165	-	-	362	-	-	-	-	-	-	4,550
General insurance	13,491	1,726	6,854	1,149	793	6,157	369	1,073	-	569	167	758	33,106
Advertising	-	-	1,000	-	-	-	-	-	-	-	-	-	1,000
Repairs and maintenance	9,583	670	5,362	431	248	4,527	112	390	-	235	82	277	21,917
Educational materials	16,082	17	-	1,980	-	1	-	-	-	-	-	-	18,080
Client assistance	44,164	12,218	47,173	127,930	111,138	3,099	-	-	-	214,547	-	7,640	567,909
Accounting and auditing	10,014	86	19	1,405	54	492	116	-	-	138	100	239	12,663
Staff training	1,665	-	45	-	-	-	-	470	-	-	-	-	2,180
Total expenses	1,704,344	172,630	146,200	275,804	179,537	453,548	27,746	90,155	-	268,294	25,430	52,643	3,396,331
Excess revenue (expense)	\$ 8,932	\$ (1)	\$ (38,450)	\$ 2	\$ -	\$ (46,617)	\$ 3	\$ (6,718)	\$ -	\$ 17,464	\$ (1)	\$ (1,122)	\$ (66,508)

FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
SUPPLEMENTAL SCHEDULE OF SUPPORT AND EXPENSES
BY FUNDING SOURCE – STATE AND LOCAL GRANTS
FOR THE YEAR ENDED JUNE 30, 2023

	California Office of Emergency Services	Tulare County Health and Human Services Agency	Tulare County Probation Nurturing Parenting	Tulare County Sheriff's Department	Tulare County Clerk/ Recorder	Housing Authority of Tulare County	City of Visalia	Kings Tulare Homeless Alliance	First 5 of Tulare County	CalAIM	Total
Support:											
Government grants	\$ 579,526	\$ 1,334,584	\$ -	\$ 29,296	\$ -	\$ 23,114	\$ 9,841	\$ -	\$ 630,985	\$ 152,373	\$ 2,759,719
Total support	579,526	1,334,584	-	29,296	-	23,114	9,841	-	630,985	152,373	2,759,719
Expenses:											
Salaries and wages	340,599	709,573	-	16,663	-	2,631	6,702	-	343,892	71,305	1,491,365
Payroll taxes	27,591	51,497	-	1,297	-	199	498	-	26,578	5,335	112,995
Insurance	47,132	82,882	-	2,439	-	282	728	-	37,526	7,875	178,864
Retirement	4,161	9,267	-	427	-	29	73	-	5,101	628	19,686
Administrative	74,108	348,094	-	2,786	-	2,681	361	-	61,250	15,070	504,350
Travel and conferences	3,828	13,555	-	281	-	-	76	-	3,164	50	20,954
Rent	13,672	54,284	-	1,575	-	11,519	638	-	14,335	5,074	101,097
Utilities and telephone	15,715	36,779	-	905	-	3,877	384	-	9,815	2,918	70,393
Supplies	15,652	13,701	-	302	-	36	124	-	11,627	14,769	56,211
Equipment rental	3,864	7,302	-	184	-	21	73	-	3,719	564	15,727
Dues and memberships	(10)	120	-	-	-	-	-	-	75	-	185
General insurance	7,373	11,759	-	298	-	203	126	-	3,602	1,192	24,553
Advertising	(1,000)	10,815	-	1,671	-	-	-	-	-	-	11,486
Repairs and maintenance	6,186	4,556	-	112	-	136	40	-	1,037	17,416	29,483
Educational materials	17	9,563	-	-	-	-	-	-	22,497	-	32,077
Client assistance	20,130	5,755	-	-	-	-	-	-	1,319	-	27,204
Accounting and auditing	2,546	4,538	-	314	-	-	19	-	1,395	900	9,712
Staff training	-	2,380	-	-	-	-	-	-	9,012	-	11,392
Total expenses	581,564	1,376,420	-	29,254	-	21,614	9,842	-	555,944	143,096	2,717,734
Excess revenue (expense)	\$ (2,038)	\$ (41,836)	\$ -	\$ 42	\$ -	\$ 1,500	\$ (1)	\$ -	\$ 75,041	\$ 9,277	\$ 41,985

FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2023

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Federal Expenditures
<u>U.S. Department of Housing and Urban Development (HUD):</u>				
Passed Through the State of California Department of Public Health: Housing Opportunities for Persons with AIDS Total CFDA 14.241	14.241	2329	\$ -	\$ 202,003
Passed Through the Office of Community Planning and Development: Continuum of Care Program	14.267	N/A	-	179,537
Total Passed Through Office of Community Planning and Development			-	179,537
Passed Through the City of Porterville: Shelter Plus Care	14.238	N/A	-	25,429
Passed Through the City of Visalia: Shelter Plus Care	14.238	N/A	-	45,000
Passed Through the City of Tulare: Shelter Plus Care	14.238	N/A	-	240,077
Total Assistance Listing 14.238			-	310,506
Passed Through the City of Visalia: HOME Investment Partnerships Program	14.239	N/A	-	5,423
Total U.S. Department of Housing and Urban Development (HUD)			-	697,469
<u>U.S. Department of Justice:</u>				
Services for Trafficking Victims	16.320	N/A	-	172,629
Passed Through the Office of Tulare County Sheriff: Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.588	18451	-	27,749
Passed Through California Office of Emergency Services: Domestic Violence Response Team	16.588	N/A	30,336	74,819
Total Assistance Listing 16.588			30,336	102,568
Crime Victims Assistance	16.575	18200	83,612	1,466,800
Total Assistance Listing 16.575			83,612	1,466,800
Total Passed Through California Office of Emergency Services			113,948	1,569,368
Total U.S. Department of Justice			113,948	1,741,997
<u>U.S. Department of Health and Human Services:</u>				
Passed Through the State of California Department of Public Health: Injury Prevention and Control Research and State and Community Based Programs	93.136	09-11593	-	73,803
Passed Through the County of Tulare HHSA: Block Grants for Prevention and Treatment of Substance Abuse	93.959	4730	-	78,680
Passed Through the County of Tulare Superior Court: Grants to States for Access and Visitation Programs	93.597	N/A	-	83,437
Passed Through the California Office of Emergency Services: Family Violence Prevention and Services/ Sexual Assault/Rape Crisis Services and Supports	93.497	18511	-	103,119
Family Violence Prevention and Services/Grants for Battered Women's Shelters-Grants to States and Indian Tribes	93.671	18234	-	100,833
Passed Through the Fresno Economic Opportunities Commission: Passed Through First 5 Tulare County: Temporary Assistance for Needy Families	93.558	N/A	-	69,617
Total U.S. Department of Health and Human Services			-	509,489
<u>U.S. Department of Homeland Security:</u>				
Passed Through the Federal Emergency Management Agency: Emergency Food and Shelter National Board Program	97.024	N/A	-	99,540
Department of Homeland Security Food Distribution	97.024	N/A	-	46,658
Total Assistance Listing 97.024			-	146,198
Total U.S. Department of Homeland Security			-	146,198
Total Expenditures of Federal Awards			\$ 113,948	\$ 3,095,153

The accompanying notes are an integral part of this statement.

FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2023

NOTE 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Family Services of Tulare County under programs of the federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Family Services, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Family Services.

NOTE 2 – Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 – De Minimis Cost Rate

Family Services has elected to use the 10% de minimis cost rate.

**FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
STATEMENT OF COSTS CLAIMED AND ACCEPTED
FOR THE YEAR ENDED JUNE 30, 2023**

	Costs Claimed		Costs Accepted	
	2023	Actual	Matching	Total
Child Abuse Treatment (CHAT)				
Grant Number AT 21021248				
Grant Period (1/1/2022 - 12/31/2022)				
Current Period Revenue \$114,201				
Personal Services	\$ 100,222	\$ 91,598	\$ 8,624	\$ 100,222
Operating Services	13,979	13,979	-	13,979
Equipment	-	-	-	-
Totals	<u>\$ 114,201</u>	<u>\$ 105,577</u>	<u>\$ 8,624</u>	<u>\$ 114,201</u>

Child Abuse Treatment (CHAT)				
Grant Number AT 22031248				
Grant Period (1/1/2023 - 12/31/2023)				
Current Period Revenue \$191,682				
Personal Services	\$ 163,630	\$ 107,871	\$ 55,759	\$ 163,630
Operating Services	28,052	28,052	-	28,052
Equipment	-	-	-	-
Totals	<u>\$ 191,682</u>	<u>\$ 135,923</u>	<u>\$ 55,759</u>	<u>\$ 191,682</u>

Domestic Violence (DV)				
Grant Number DV 20341248				
Grant Period (10/1/2021 - 9/30/2022)				
Current Period Revenue \$135,120				
Personal Services	\$ 122,021	\$ 122,021	\$ -	\$ 122,021
Operating Services	13,099	13,099	-	13,099
Equipment	-	-	-	-
Totals	<u>\$ 135,120</u>	<u>\$ 135,120</u>	<u>\$ -</u>	<u>\$ 135,120</u>

Domestic Violence (DV)				
Grant Number DV 22361248				
Grant Period (10/1/2022 - 9/30/2023)				
Current Period Revenue \$536,323				
Personal Services	\$ 430,393	\$ 430,393	\$ -	\$ 430,393
Operating Services	105,930	105,930	-	105,930
Equipment	-	-	-	-
Totals	<u>\$ 536,323</u>	<u>\$ 536,323</u>	<u>\$ -</u>	<u>\$ 536,323</u>

(continued)

**FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
STATEMENT OF COSTS CLAIMED AND ACCEPTED
FOR THE YEAR ENDED JUNE 30, 2023**

	Costs Claimed 2023	Costs Accepted		
		Actual	Matching	Total
Rape Crisis (RC)				
Grant Number RC 21301248				
Grant Period (10/1/2021 - 9/30/2022)				
Current Period Revenue \$235,606				
Personal Services	\$ 178,736	\$ 178,736	\$ -	\$ 178,736
Operating Services	56,870	56,870	-	56,870
Equipment	-	-	-	-
Totals	<u>\$ 235,606</u>	<u>\$ 235,606</u>	<u>\$ -</u>	<u>\$ 235,606</u>

Rape Crisis (RC)
Grant Number RC 22311248
Grant Period (10/1/2022 - 9/30/2023)
Current Period Revenue \$219,530

Personal Services	\$ 153,088	\$ 153,088	\$ -	\$ 153,088
Operating Services	66,442	66,442	-	66,442
Equipment	-	-	-	-
Totals	<u>\$ 219,530</u>	<u>\$ 219,530</u>	<u>\$ -</u>	<u>\$ 219,530</u>

Victim Services
Grant Number XC 21041248
Grant Period (1/1/2022 - 12/31/2022)
Current Period Revenue \$132,375

Personal Services	\$ 47,040	\$ 45,346	\$ 1,694	\$ 47,040
Operating Services	85,335	83,297	2,038	85,335
Equipment	-	-	-	-
Totals	<u>\$ 132,375</u>	<u>\$ 128,643</u>	<u>\$ 3,732</u>	<u>\$ 132,375</u>

Victim Services
Grant Number XC 22051248
Grant Period (1/1/2023 - 12/31/2023)
Current Period Revenue \$102,230

Personal Services	\$ 58,269	\$ 58,269	\$ -	\$ 58,269
Operating Services	43,961	43,961	-	43,961
Equipment	-	-	-	-
Totals	<u>\$ 102,230</u>	<u>\$ 102,230</u>	<u>\$ -</u>	<u>\$ 102,230</u>

(continued)

FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
STATEMENT OF COSTS CLAIMED AND ACCEPTED
FOR THE YEAR ENDED JUNE 30, 2023

	Costs Claimed	Costs Accepted		
	2023	Actual	Matching	Total
Transitional Housing				
Grant Number XH 21041248				
Grant Period (1/1/2022 - 12/31/2022)				
Current Period Revenue \$77,398				
Personal Services	\$ 46,045	\$ 46,045	\$ -	\$ 46,045
Operating Services	31,353	31,353	-	31,353
Equipment	-	-	-	-
Totals	<u>\$ 77,398</u>	<u>\$ 77,398</u>	<u>\$ -</u>	<u>\$ 77,398</u>

Victim Assistance
Grant Number VA 21051248
Grant Period (1/1/2022 - 12/31/2022)
Current Period Revenue \$74,855

Personal Services	\$ 31,774	\$ 31,774	\$ -	\$ 31,774
Operating Services	43,081	43,081	-	43,081
Equipment	-	-	-	-
Totals	<u>\$ 74,855</u>	<u>\$ 74,855</u>	<u>\$ -</u>	<u>\$ 74,855</u>

Legal Assistance
Grant Number XL 21041248
Grant Period (1/1/2022 - 12/31/2022)
Current Period Revenue \$79,387

Personal Services	\$ 59,423	\$ 59,423	\$ -	\$ 59,423
Operating Services	19,964	19,964	-	19,964
Equipment	-	-	-	-
Totals	<u>\$ 79,387</u>	<u>\$ 79,387</u>	<u>\$ -</u>	<u>\$ 79,387</u>

Legal Assistance
Grant Number XL 22051248
Grant Period (1/1/2023 - 12/31/2023)
Current Period Revenue \$91,201

Personal Services	\$ 69,351	\$ 69,351	\$ -	\$ 69,351
Operating Services	21,850	21,850	-	21,850
Equipment	-	-	-	-
Totals	<u>\$ 91,201</u>	<u>\$ 91,201</u>	<u>\$ -</u>	<u>\$ 91,201</u>

(continued)

**FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
STATEMENT OF COSTS CLAIMED AND ACCEPTED
FOR THE YEAR ENDED JUNE 30, 2023**

	Costs Claimed	Costs Accepted		
	2023	Actual	Matching	Total
Supervised Visitation				
Grant Number SP 21041248				
Grant Period (5/1/2022 - 4/30/2023)				
Current Period Revenue \$167,879				
Personal Services	\$ 122,961	\$ 122,961	\$ -	\$ 122,961
Operating Services	44,918	44,918	-	44,918
Equipment	-	-	-	-
Totals	<u>\$ 167,879</u>	<u>\$ 167,879</u>	<u>\$ -</u>	<u>\$ 167,879</u>

Supervised Visitation				
Grant Number SP 22051248				
Grant Period (5/1/2023 - 4/30/2024)				
Current Period Revenue \$38,648				
Personal Services	\$ 30,870	\$ 18,728	\$ 12,142	\$ 30,870
Operating Services	7,778	5,033	2,745	7,778
Equipment	-	-	-	-
Totals	<u>\$ 38,648</u>	<u>\$ 23,761</u>	<u>\$ 14,887</u>	<u>\$ 38,648</u>

Sexual Assault Response Team				
Grant Number XS 20011248				
Grant Period (1/1/2022 - 12/31/2022)				
Current Period Revenue \$75,817				
Personal Services	\$ 49,706	\$ 49,706	\$ -	\$ 49,706
Operating Services	26,111	26,111	-	26,111
Equipment	-	-	-	-
Totals	<u>\$ 75,817</u>	<u>\$ 75,817</u>	<u>\$ -</u>	<u>\$ 75,817</u>

Sexual Assault Response Team				
Grant Number XS 22021248				
Grant Period (1/1/2023 - 12/31/2023)				
Current Period Revenue \$52,619				
Personal Services	\$ 41,248	\$ 41,248	\$ -	\$ 41,248
Operating Services	11,371	11,371	-	11,371
Equipment	-	-	-	-
Totals	<u>\$ 52,619</u>	<u>\$ 52,619</u>	<u>\$ -</u>	<u>\$ 52,619</u>

OTHER INDEPENDENT AUDITORS' REPORTS



CLOVIS | HANFORD | PORTERVILLE | TULARE | VISALIA

M. GREEN AND COMPANY LLP

CERTIFIED PUBLIC ACCOUNTANTS

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

INDEPENDENT AUDITORS' REPORT

Board of Directors
Family Services of Tulare County

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Family Services of Tulare County (Family Services), a California non-profit corporation, which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated April 5, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Family Services of Tulare County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Family Services of Tulare County's internal control. Accordingly, we do not express an opinion on the effectiveness of Family Services of Tulare County's internal control.

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

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-003 that we consider to be a significant deficiency.

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KRISTI WEAVER, CPA

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Family Services of Tulare County's 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 financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002.

We noted certain matters that we reported to management of Family Services of Tulare County in a separate letter dated April 5, 2024.

Family Services of Tulare County's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Family Services of Tulare County's responses to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Family Services of Tulare County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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



Visalia, California
April 5, 2024



CLOVIS | HANFORD | PORTERVILLE | TULARE | VISALIA

M. GREEN AND COMPANY LLP

CERTIFIED PUBLIC ACCOUNTANTS

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

INDEPENDENT AUDITORS' REPORT

Board of Directors
Family Services of Tulare County

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Family Services of Tulare County compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on Family Services of Tulare County's major federal program for the year ended June 30, 2023. Family Services of Tulare County's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Family Services of Tulare County 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, 2023.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit Compliance section of our report.

We are required to be independent of Family Services of Tulare County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Family Services of Tulare County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Family Services of Tulare County's federal programs.

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Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements, referred to above occurred, whether due to fraud or error, and express an opinion on Family Services of Tulare County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Family Services of Tulare County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit;
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Family Services of Tulare County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances;
- obtain an understanding of Family Services of Tulare County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Family Services of Tulare County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

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 item 2023-002. Our opinion on the major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Family Services of Tulare County's responses to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Family Services of Tulare County's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent (or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on Family Service's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Family Service's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

M. Green and Company LLP

Visalia, California
April 5, 2024

FINDINGS AND QUESTIONED COSTS

**FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:

Unmodified

Internal control over financial reporting:

One or more material weaknesses identified?

 Yes X No

One or more significant deficiencies identified that
are not considered to be material weaknesses?

 X Yes None reported

Non-compliance material to financial statements noted?

 Yes X No

Federal Awards

Internal control over major programs:

One or more material weaknesses identified?

 Yes X No

One or more significant deficiencies identified that
are not considered to be material weaknesses?

 X Yes None reported

Type of auditors' report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in
accordance with 2 CFR Section 200.516(a) of Uniform Guidance?

 Yes X No

Identification of major program:

Assistance Listing Number
16.575

Name of Federal Program or Cluster
Crime Victims Assistance

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

\$ 750,000

Auditee qualified as low-risk auditee?

 Yes X No

**FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

Section II – Financial Statement Findings

FINDING 2023-003

SIGNIFICANT DEFICIENCY IN INTERNAL CONTROL – JOURNAL ENTRIES

Criteria

Generally Accepted Accounting Principles (GAAP) requires the adoption of adequate internal control to safeguard assets and ensure the proper recording of all activity.

Condition

The six non-grant related journal entries tested during the audit did not have proper approvals.

Questioned Costs

Not Applicable

Proper Perspective

This is isolated to non-grant related journal entries of the Organization.

Effect

The lack of review and approval of journal entries leaves the Organization susceptible to misappropriation of funds.

Cause

This was an oversight by the Organization as journal entries had not been approved at the time of the audit.

Recommendation

We recommend the Organization follow their policy where all journal entries will be reviewed and approved by a person other than the person preparing the journal entries (chief executive office (CEO) and chief financial officer (CFO)). All entries should be initialed by the preparer and the individual reviewing and approving them in order to attribute responsibility to the appropriate individuals and document monitoring of all adjustments.

Corrective Action Plan

Approval is tracked in accounting software Blackbaud/NXT and will be available for auditor from a created report for all journal entries. Agency will have journal entries approved by the CFO or CEO. If the CFO is creating the journal entry, the CEO will approve.

**FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

Section III – Federal Findings

FINDING 2023-002

SIGNIFICANT DEFICIENCY IN INTERNAL CONTROL OVER COMPLIANCE–ALLOWABLE COSTS/COST PRINCIPLES – PAYROLL

Crime Victim Assistance
U.S. Department of Justice
Passed through California Office of Emergency Services
Federal Catalog Number 16.575

Federal Award Identification Number DV 20 34 1248
(October 1, 2021 – September 30, 2022)

Federal Award Identification Number DV 22 36 1248
(October 1, 2022 – September 30, 2023)

Federal Award Identification Number AT 21 02 1248
(January 1, 2023 – December 31, 2023)

Federal Award Identification Number RC 21 30 1248
(October 1, 2021 – September 30, 2022)

Federal Award Identification Number RC 22 31 1248
(October 1, 2022 – September 30, 2023)

Federal Award Identification Number XL 22 05 1248
(January 1, 2023 – December 31, 2023)

Criteria

Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). The Internal Control – Integrated Framework, published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and numerous federal guidelines require the establishment and maintenance of internal control designed to reasonably ensure accurate financial reporting and compliance with laws, regulations and program requirements. The Organization is required to be in compliance with the criteria contained in 2 CFR Part 200.430(i)(1)(viii), which require documentation of personnel expenses “support the distribution of the employees’ salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an allowable activity and a direct or indirect cost activity.”

Condition

The documentation supporting the allocation of employee’s wages among multiple projects did not agree to amounts recorded required by 2 CFR Part 200.430(i)(1)(vii).

Questioned Costs

Not applicable.

Proper Perspective

Out of the twenty-eight payroll cash disbursements tested, thirteen exceptions were noted. The total sample population was 1,427 items. Therefore, likely exceptions were 663 items. Our sample was a statistically valid sample. The issue is systemic to the Organization’s payroll process.

**FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

Effect

The Organization is out of compliance with Uniform Guidance requirements for Allowable Costs/Cost Principles.

Cause

The Organization's internal control process over charging personnel cost based on the labor distribution report, which is supported by timesheets of actual time worked on multiple federal awards, was not consistently followed.

Recommendation

We recommend the Organization ensure the final wages, including paid time off, charged for each pay period agree to the supporting documentation for the actual allocation percentage based the actual hours worked to ensure the amount charged to each project is accurate, allowable and properly allocated following the requirements of 2 CFR Part 200.430(i)(1)(vii).

FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

FINDING 2023-001

SIGNIFICANT DEFICIENCY IN INTERNAL CONTROL OVER COMPLIANCE/FEDERAL COMPLIANCE – ALLOWABLE COSTS/COST PRINCIPLES – PAYROLL BASED ON BUDGETS

Crime Victim Assistance
U.S. Department of Justice
Passed through California Office of Emergency Services
Federal Catalog Number 16.575

Federal Award Identification Number XC 22 05 1248
(January 1, 2023 – December 31, 2023)

Federal Award Identification Number RC 22 31 1248
(October 1, 2022 – September 30, 2023)

Federal Award Identification Number XL 21 04 1248
(January 1, 2022 – December 31, 2022)

Federal Award Identification Number SP 22 05 1248
(May 1, 2023 – April 30, 2024)

Federal Award Identification Number XH 21 04 1248
(January 1, 2022 – December 31, 2022)

Criteria

Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), The Internal Control – Integrated Framework, published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and numerous federal guidelines require the establishment and maintenance of internal control designed to reasonably ensure accurate financial reporting and compliance with laws, regulations and program requirements. The Organization is required to be in compliance with the criteria contained in 2 CFR Part 200. 430(i)(1)(viii). Which require documentation of personnel expenses based on:

“Budget estimates (i.e., estimates determined before the services are performed) alone do not qualify as support for charges to Federal awards, but may be used for interim accounting purposes provided that:

- A. The system for establishing the estimates produces reasonable approximations of the activity actually performed;
- B. Significant changes in the corresponding work activity (as defined by the non-Federal entity's written policies) are identified and entered into the records in a timely manner. Short term (such as one or two months) fluctuation between workload categories need not to be considered as long as the distribution of salaries and wages is reasonable over the longer term; and
- C. The non-Federal entity's system of internal controls includes processes to review after-the-fact interim charges made to a Federal award based on budget estimates. All necessary adjustment must be made such that the final amount charged to the Federal award is accurate, allowable, and properly allocated.”

Condition

The budgeted allocation of salaried employees' wages among multiple projects were not reviewed and adjusted after-the-fact as required by 2 CFR Section 200.403(i)(1)(viii).

FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

Questioned Costs

The known questioned costs were \$1,427 of personnel costs charges to federal program.

Proper Perspective

Twenty-eight payroll cash disbursements were tested totaling \$25,645. The total sample population was \$1,221,287. Therefore, likely questioned costs are \$36,471. Our sample was a statistically valid sample. The issue is systematic to the organization's salaried employee payroll process.

Effect

The Organization is out of compliance with Uniform Guidance requirements for Allowable Costs/Cost Principle.

Cause

The Organization's internal control process over charging salaried personnel cost based on the labor distribution report, does not include an after-the-fact review and adjustment based on actual time worked.

Recommendation

We recommend that the Organization have support for the distribution of the employees' wages among each project. If budget or estimates are used for allocations among projects, we recommend an after-the-fact review is done and the necessary adjustments are made to the final amount charged for that period to ensure the amount charges to the project is accurate, allowable and properly allocated following the requirements of 2 CFR Section 200.430(i)(1)(viii).



**CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2023**

FINDING 2023-001

**SIGNIFICANT DEFICIENCY IN INTERNAL CONTROL OVER COMPLIANCE/FEDERAL COMPLIANCE –
ALLOWABLE COSTS/COST PRINCIPLES – PAYROLL BASED ON BUDGETS**

Crime Victim Assistance
U.S. Department of Justice
Passed through California Office of Emergency Services
Federal Catalog Number 16.575

Federal Award Identification Number XC 22 05 1248
(January 1, 2023 – December 31, 2023)

Federal Award Identification Number RC 22 31 1248
(October 1, 2022 – September 30, 2023)

Federal Award Identification Number XL 21 04 1248
(January 1, 2022 – December 31, 2022)

Federal Award Identification Number SP 22 05 1248
(May 1, 2023 – April 30, 2024)

Federal Award Identification Number XH 21 04 1248
(January 1, 2022 – December 31, 2022)

Views of Responsible Officials

☒ X Agree ☐ Disagree

Corrective Action Plan

Agency will implement as after-the-fact review for salaried employees. Timecards are actual time worked on project as instructed by Cal OES. Paycor allocations (which are budgeted allocations) are driving the salaried employees' allocations to the labor distribution report. Salaried employees, regardless of their time worked, are allocated 86.67 hours per pay period and by percentage of their labor allocation. Agency will review timecards to labor distribution and make the necessary adjustments after posting the Payroll Import by creating a journal entry to ensure that the project is charged accurately. Timecards are never altered as they are approved with 2 approvals.

Name of the Contact Person Responsible for Corrective Action

Sandy Trobaugh

Anticipated Completion Date

May 31, 2024





**CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2023**

FINDING 2023-002

**SIGNIFICANT DEFICIENCY IN INTERNAL CONTROL OVER COMPLIANCE-
ALLOWABLE COSTS/COST PRINCIPLES – PAYROLL**

Crime Victim Assistance
U.S. Department of Justice
Passed through California Office of Emergency Services
Federal Catalog Number 16.575

Federal Award Identification Number DV 20 34 1248
(October 1, 2021 – September 30, 2022)

Federal Award Identification Number DV 22 36 1248
(October 1, 2022 – September 30, 2023)

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Federal Award Identification Number RC 22 31 1248
(October 1, 2022 – September 30, 2023)

Federal Award Identification Number XL 22 05 1248
(January 1, 2023 – December 31, 2023)

Views of Responsible Officials

 X Agree Disagree

Corrective Action Plan

Agency will ensure that payroll time sheets are correct prior to processing and importing payroll. If an error on time sheet is found, employee and manager will be notified for employee to make correction. If the error is caught after payroll is processed a Journal Entry will be processed with proper documentation and approval.

Name of the Contact Person Responsible for Corrective Action

Sandy Trobaugh

Anticipated Completion Date

May 31, 2024



**FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023**

Finding/Recommendation	Current Status	Explanation if not Implemented
There were no prior year findings.		