

**FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2024**

**M. GREEN AND COMPANY LLP
Certified Public Accountants**

FAMILY SERVICES OF TULARE COUNTY
A Non-Profit Corporation

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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, 2024, 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, 2024, 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 December 19, 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 LP

Visalia, California
December 19, 2024

FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 877,550	
Investments	1,746,156	
Grants receivable	783,288	
		<u>3,406,994</u>
Total current assets		<u>3,406,994</u>

NON-CURRENT ASSETS:

Deposits	20,604	
Property and equipment, at cost:		
Land	295,447	
Buildings and improvements	1,163,577	
Machinery and equipment	102,232	
Furniture and fixtures	6,421	
Vehicles	263,897	
Less: accumulated depreciation	(780,206)	
		<u>1,071,972</u>
Total non-current assets		<u>1,071,972</u>

OTHER ASSETS:

Operating lease right-of-use assets		<u>1,136,200</u>
Total assets		<u><u>\$ 5,615,166</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Notes payable, current portion	\$ 2,954	
Operating lease liabilities, current portion	284,114	
Accounts payable	79,475	
Accrued liabilities	124,437	
		<u>490,980</u>
Total current liabilities		<u>490,980</u>

NON-CURRENT LIABILITIES:

Notes payable, net of current portion	121,097	
Operating lease liabilities, net of current portion	883,068	
		<u>1,004,165</u>
Total non-current liabilities		<u>1,004,165</u>
Total liabilities		<u>1,495,145</u>

NET ASSETS:

Without donor restrictions, undesignated	3,980,813	
With donor restrictions	139,211	
		<u>4,120,024</u>
Total net assets		<u>4,120,024</u>
Total liabilities and net assets		<u><u>\$ 5,615,169</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, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>SUPPORT:</u>			
Government grants	\$ 4,978,964	\$ 90,903	\$ 5,069,867
Contributions	232,932	82,846	315,778
Fundraising	166,239	61,070	227,309
Total support	5,378,135	234,819	5,612,954
<u>REVENUE:</u>			
Counseling fees	339,661	-	339,661
Other revenue	76,274	-	76,274
Gain on the disposition of assets	214,108	-	214,108
Total revenue	630,043	-	630,043
NON-MONETARY DONATIONS	464,191	-	464,191
<u>NET ASSETS RELEASED FROM RESTRICTIONS</u>	207,693	(207,693)	-
TOTAL SUPPORT AND REVENUE	6,680,062	27,126	6,707,188
<u>EXPENSES:</u>			
Program services	4,902,053	-	4,902,053
Support services	1,004,017	-	1,004,017
Fundraising	268,571	-	268,571
Total expenses	6,174,641	-	6,174,641
<u>CHANGE IN NET ASSETS</u>	505,421	27,126	532,547
Net assets, beginning of year	3,475,392	112,085	3,587,477
Net assets, end of year	<u>\$ 3,980,813</u>	<u>\$ 139,211</u>	<u>\$ 4,120,024</u>

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, 2024

		<u>Supporting Services</u>		
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ 2,508,841	\$ 744,350	\$ 102,223	\$ 3,355,414
Payroll taxes	186,163	44,890	7,658	238,711
Insurance	339,850	50,492	12,839	403,181
Retirement	28,959	5,001	864	34,824
Administrative	449,782	-	17,140	466,922
Travel and conferences	42,939	955	1,482	45,376
Rent	5,199	21,588	448	27,235
Utilities and telephone	185,982	16,551	1,765	204,298
Supplies	37,145	14,820	65,756	117,721
Equipment rental	27,774	2,711	67	30,552
Food	106	-	-	106
Printing and postage	-	-	8,412	8,412
Dues and memberships	2,984	27,544	6,164	36,692
General insurance	68,105	8,921	145	77,171
Advertising	3,763	690	1,423	5,876
Repairs and maintenance	17,036	27,504	8,551	53,091
Educational materials	59,908	-	1,743	61,651
Client assistance	445,837	-	-	445,837
Interest	30,943	4,041	-	34,984
Accounting and auditing	28,892	20,726	18,895	68,513
Bank charges	(1)	110	8,815	8,924
Staff training	9,396	1,016	-	10,412
Total before depreciation	4,479,603	991,910	264,390	5,735,903
Depreciation and amortization exp	422,450	12,107	4,181	438,738
Total expenses	<u>\$ 4,902,053</u>	<u>\$ 1,004,017</u>	<u>\$ 268,571</u>	<u>\$ 6,174,641</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, 2024

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ 532,547
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Gain on disposition of assets	(214,108)
Depreciation and amortization	438,738
Non-monetary donations	(464,191)
Non-monetary income	(110,492)
Non-monetary expenses	181,230
Changes in operating assets and liabilities:	
Decrease in grants receivable	27,683
Decrease in prepaid expenses	2,681
Decrease in deposits	3,120
Decrease in operating lease liability	(342,573)
Decrease in accounts payable and accrued liabilities	<u>(80,141)</u>
Net cash used by operating activities	<u>(25,506)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Redemption of investments	389,000
Purchase of property and equipment	(118,661)
Sale of property and equipment	<u>495,445</u>
Net cash provided by investing activities	<u>765,784</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Proceeds from short-term borrowing	100,000
Payments made on short-term borrowing	<u>(224,117)</u>
Net cash used by financing activities	<u>(124,117)</u>
Net decrease in cash and cash equivalents	616,161
Cash and cash equivalents, beginning of year	<u>261,390</u>
Cash and cash equivalents, end of year	<u><u>\$ 877,551</u></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, 2024

SUPPLEMENTAL DISCLOSURES OF
CASH FLOW INFORMATION:

Cash paid for interest	<u>\$ 4,041</u>
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Noncash investing and financing activities for the year ended June 30, 2023, are as follows:

Reduction of loan balances	\$ 313,904
Less annual amounts forgiven on loans	<u>(313,904)</u>

Net payments made on loans	<u>\$ -</u>
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Purchase of investments	\$ 96,992
Less reinvested earnings	<u>(96,992)</u>

Net cash paid for purchase of investments	<u>\$ -</u>
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Purchase of property and equipment	\$ 132,161
Less donated assets	<u>(13,500)</u>

Net cash paid for purchase of property and equipment	<u>\$ 118,661</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, 2024

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, 2024

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, 2024

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, 2024

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.

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, 2024, cash balance exceeding the federally insured limit was \$717,232.

FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 5 – Investments

Fair values of assets measured on a recurring basis at June 30, 2024, are as follows:

	Fair Value Measurement at June 30, 2024			
	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	\$ 1,738,949	-	-	\$ 1,738,949
Stocks	7,207	-	-	7,207
Total investments at fair value	<u>\$ 1,746,156</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,746,156</u>

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, 2024, consisted of the following:

California Office of Emergency Services	\$ 279,703
Tulare County Health and Human Services Agency	321,198
Housing and Urban Development	34,283
First 5 of Tulare County	15,017
California Department of Public Health	50,814
City of Tulare	11,165
Tulare County Sheriff's Department	8,921
City of Visalia	7,749
Superior Court of Tulare County	24,478
Miscellaneous	29,960
Total	<u>\$ 783,288</u>

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 May 5, 2024. The line of credit matured on May 5, 2024.

On May 5, 2024, Family Services secured a \$300,000 line of credit with Citizens Business Bank to be drawn down as needed. Monthly interest payments on the outstanding principal balance is at the prime rate plus .75% which was 9.25% at June 30, 2024. The line of credit matures on May 5, 2027. There was no outstanding balance as of June 30, 2024.

FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 8 – Notes Payable

The following is a summary of Family Services of Tulare County' notes payable at June 30, 2024:

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.

\$ 20,248

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.

96,118

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.

7,685

Total notes payable
Less current portion

124,051
(2,954)

Long-term portion

\$ 121,097

Annual required principal payments on these notes are as follows:

<u>Year ending June 30,</u>	
2025	\$ 2,954
2026	2,954
2027	2,954
2028	2,954
2029	2,954
Thereafter	<u>109,281</u>
Total	<u><u>\$ 124,051</u></u>

FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 9 – Net Assets

Family Services' net assets at June 30, 2024 consisted of the following:

Net assets without donor restrictions:

Undesignated	\$ 3,980,813
Total net assets without donor restrictions	<u>3,980,813</u>

Net assets with donor restrictions:

Subject to expenditure for specified purpose:

Housing	15,102
Various direct program expenses	37,149
In-home parenting program	9,326
Goshen Family Center	10,000
Shelter expenses	30,286
Goshen Summer Nights	1,431
In-home parenting, Goshen	535
Transitional housing	7,106
Supportive housing, general expenses	<u>28,276</u>
Total net assets with donor restrictions	<u>139,211</u>

Total net assets	<u><u>\$ 4,120,024</u></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, 2024, were \$464,191, of which \$150,287 and \$313,904 were for donated services and for annual amounts forgiven on loans, respectively.

NOTE 11 – Leasing Activities

Family Services of Tulare County leases 11 facilities under long-term operating lease agreements. The leases have remaining lease terms of 8 months to 84 months as of June 30, 2024. Additionally, Family Services of Tulare County has three equipment operating leases with varying dates of expiration through March 29, 2029. 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.

FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 11 – Leasing Activities (continued)

The following summarizes the line items in the statement of activities which include the components of lease expense for the year ended June 30, 2024:

Operating lease cost:

Amortization of lease assets included in depreciation and amortization expense	\$ 328,545
Interest on lease liabilities included in interest expense	<u>30,943</u>

Total operating lease costs	<u>\$ 359,488</u>
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Short-term lease costs in rent expense	<u>\$ 5,000</u>
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The following summarizes the weighted average lease terms and discount rates as of June 30, 2024:

Weighted Average Remaining Lease Term:

Operating Leases	1.27%
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Weighted Average Discount Rate:

Operating Leases	2.62%
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The maturities of lease liabilities as of June 30, 2024 were as follows:

<u>Year Ending June 30,</u>	<u>Operating</u>
2025	\$ 310,864
2026	228,151
2027	164,841
2028	136,631
2029	132,216
Thereafter	<u>285,943</u>
Total lease payments	1,258,646
Less: imputed interest	<u>(91,464)</u>
Present value of lease liabilities	<u>\$ 1,167,182</u>

FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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

During the fiscal year, Family Services had seven 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	Sexual Assault Response Team
<u>Personal Services:</u>				
Without donor restrictions:				
In-kind volunteers	\$ 792	\$ 8,190	\$ -	\$ 20,600
Therapists	48,994	-	-	-
Other sources	-	-	10,238	-
<u>Operating Services:</u>				
Unrestricted fund:				
Subrecipients	-	8,675	-	-
Totals	<u>\$ 49,786</u>	<u>\$ 16,865</u>	<u>\$ 10,238</u>	<u>\$ 20,600</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, 2024, was \$34,824.

FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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 \$300,000 of available line of credit, as described in Note 7.

The following table reflects Family Services' financial assets as of June 30, 2024, 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	\$ 877,550
Investments	1,746,156
Grants receivable	<u>783,288</u>

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

\$ 3,406,994

NOTE 15 – Subsequent Events

Management has evaluated subsequent events through December 19, 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, 2024

	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	City of Tulare	City of Porterville	City of Visalia	Total
Support:												
Government grants	\$ 1,451,769	\$ 32,858	\$ 65,250	\$ 321,198	\$ 188,501	\$ 82,084	\$ 50,178	\$ 91,985	\$ 225,029	\$ 15,000	\$ 50,000	\$ 2,573,852
Counseling fees	-	-	-	-	-	212,465	-	-	-	-	-	212,465
Other revenue	-	-	-	-	-	-	-	-	40,488	-	-	40,488
Total support	1,451,769	32,858	65,250	321,198	188,501	294,549	50,178	91,985	265,517	15,000	50,000	2,826,805
Expenses:												
Salaries and wages	860,731	27,869	1,238	105,546	41,214	74,628	30,383	59,208	31,509	9,482	28,225	1,270,033
Payroll taxes	64,064	2,098	85	8,277	3,083	5,704	2,292	4,727	2,371	700	2,107	95,508
Insurance	114,132	1,938	163	16,836	6,861	15,306	2,926	9,133	3,199	1,315	4,122	175,931
Retirement	8,198	170	22	1,829	388	956	64	776	257	24	126	12,810
Administrative	205,768	6,010	2,653	15,112	8,666	115,706	4,618	2,435	6,523	1,458	5,619	374,568
Travel and conferences	9,641	1,065	-	5,241	39	686	991	1,925	-	-	14	19,602
Rent	32,165	3,013	30,277	10,170	4,101	55,347	3,283	6,068	3,434	788	3,069	151,715
Utilities and telephone	56,278	2,237	3,653	7,121	9,817	9,108	1,985	4,315	2,130	601	1,831	99,076
Supplies	15,192	1,050	12	1,647	472	1,285	1,167	3,056	377	105	317	24,680
Equipment rental	9,343	345	14	1,162	452	1,024	335	737	352	90	311	14,165
Dues and memberships	2,498	-	150	-	-	6,106	-	-	-	-	-	8,754
General insurance	21,111	1,317	3,214	2,421	1,076	4,059	702	1,725	921	171	658	37,375
Repairs and maintenance	8,149	195	9	1,102	436	2,004	338	611	304	60	277	13,485
Educational materials	13,772	-	-	-	-	-	-	1,739	-	-	-	15,511
Client assistance	27,439	6,101	-	138,153	111,796	-	-	-	227,247	-	3,078	513,814
Accounting and auditing	11,409	-	6	1,530	98	575	380	-	199	205	244	14,646
Staff training	530	-	-	-	-	-	-	130	-	-	-	660
Total expenses	1,460,420	53,408	41,496	316,147	188,499	292,494	49,464	96,585	278,823	14,999	49,998	2,842,333
Excess revenue (expense)	\$ (8,651)	\$ (20,550)	\$ 23,754	\$ 5,051	\$ 2	\$ 2,055	\$ 714	\$ (4,600)	\$ (13,306)	\$ 1	\$ 2	\$ (15,528)

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, 2024

	California Office of Emergency Services	Tulare County Health and Human Services Agency	Tulare County Sheriff's Department	Housing Authority of Tulare County	City of Porterville	College of the Sequoias	City of Tulare	First 5 of Tulare County	CalAIM	Total
Support:										
Government grants	\$ 300,797	\$ 1,323,659	\$ 21,904	\$ 39,153	\$ 1,605	\$ 6,120	\$ 6,115	\$ 572,693	\$ 223,969	\$ 2,496,015
Total support	300,797	1,323,659	21,904	39,153	1,605	6,120	6,350	572,693	223,969	2,496,250
Expenses:										
Salaries and wages	182,368	697,187	12,031	5,114	1,112	1,474	-	347,320	80,375	1,326,981
Payroll taxes	13,484	51,830	901	362	78	109	-	25,363	6,000	98,127
Insurance	29,010	93,285	1,672	735	64	177	-	46,620	17,728	189,291
Retirement	2,116	8,927	64	87	-	-	-	3,881	600	15,675
Administrative	41,094	357,222	2,086	24,420	136	352	-	55,291	19,237	499,838
Travel and conferences	1,687	15,245	297	-	-	-	-	4,419	83	21,731
Rent	6,871	71,262	1,297	824	126	161	-	17,498	9,138	107,177
Utilities and telephone	14,363	46,084	817	368	64	85	-	12,696	5,333	79,810
Supplies	2,955	10,733	139	1,944	12	15	-	8,800	1,728	26,326
Equipment rental	2,112	7,802	136	63	6	16	-	3,200	887	14,222
General insurance	5,708	17,636	324	144	-	6	-	6,960	1,712	32,490
Advertising	1,714	-	-	-	-	-	-	-	-	1,714
Repairs and maintenance	2,655	6,284	121	89	9	11	-	1,536	3,257	13,962
Educational materials	2,586	11,822	1,708	-	-	-	-	13,654	-	29,770
Client assistance	1,594	5,547	-	5,393	-	-	6,052	5,764	-	24,350
Accounting and auditing	879	7,545	315	12	-	5	-	2,362	2,895	14,013
Staff training	-	5,637	-	1,099	-	-	-	2,000	-	8,736
Total expenses	311,196	1,414,048	21,908	40,654	1,607	2,411	6,052	557,364	148,973	2,504,213
Excess revenue (expense)	\$ (10,399)	\$ (90,389)	\$ (4)	\$ (1,501)	\$ (2)	\$ 3,709	\$ 298	\$ 15,329	\$ 74,996	\$ (7,963)

FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2024

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	14.241	2329	\$ -	\$ 212,118
Total CFDA 14.241			-	212,118
Passed Through the Office of Community Planning and Development:				
Continuum of Care Program	14.267	N/A	-	188,500
Passed Through the City of Porterville:				
Shelter Plus Care	14.238	N/A	-	15,000
Passed Through the City of Visalia:				
Shelter Plus Care	14.238	N/A	-	50,000
Passed Through the City of Tulare:				
Shelter Plus Care	14.238	N/A	-	228,632
Total Assistance Listing 14.238			-	293,632
Total U.S. Department of Housing and Urban Development (HUD)			-	694,250
<u>U.S. Department of Justice:</u>				
Services for Trafficking Victims	16.320	N/A	-	32,858
Passed Through the Office of Tulare County Sheriff:				
Grants to Encourage Arrest Policies and Enforcement of				
Protection Orders Program	16.588	18451	-	50,178
Crime Victims Assistance	16.575	18200	67,700	1,342,239
Total Passed Through California Office of Emergency Services			67,700	1,392,417
Total U.S. Department of Justice			67,700	1,425,275
<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	-	104,030
Passed Through the County of Tulare HHSA:				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	4730	-	80,032
Passed Through the County of Tulare Superior Court:				
Grants to States for Access and Visitation Programs	93.597	N/A	-	91,985
Passed Through the California Office of Emergency Services:				
Family Violence Prevention and Services/ Sexual Assault/Rape				
Crisis Services and Supports	93.497	18511	-	23,131
Family Violence Prevention and Services/Grants for Battered				
Women's Shelters-Grants to States and Indian Tribes	93.671	18234	-	86,397
Passed Through First 5 Tulare County:				
Temporary Assistance for Needy Families	93.558	N/A	-	84,715
Total U.S. Department of Health and Human Services			-	470,290
<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	-	41,495
Total U.S. Department of Homeland Security			-	41,495
Total Expenditures of Federal Awards			\$ 67,700	\$ 2,631,310

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, 2024

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, 2024. 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, 2024

	Costs Claimed		Costs Accepted	
	2024	Actual	Matching	Total
Child Abuse Treatment (CHAT)				
Grant Number AT 22031248				
Grant Period (1/1/2023 - 12/31/2023)				
Current Period Revenue \$121,577				
Personal Services	\$ 95,145	\$ 95,145	\$ -	\$ 95,145
Operating Services	26,432	26,432	-	26,432
Equipment	-	-	-	-
Totals	<u>\$ 121,577</u>	<u>\$ 121,577</u>	<u>\$ -</u>	<u>\$ 121,577</u>

Child Abuse Treatment (CHAT)				
Grant Number AT 23041248				
Grant Period (1/1/2024 - 12/31/2024)				
Current Period Revenue \$164,457				
Personal Services	\$ 135,274	\$ 85,488	\$ 49,786	\$ 135,274
Operating Services	29,183	29,183	-	29,183
Equipment	-	-	-	-
Totals	<u>\$ 164,457</u>	<u>\$ 114,671</u>	<u>\$ 49,786</u>	<u>\$ 164,457</u>

Domestic Violence (DV)				
Grant Number DV 22361248				
Grant Period (10/1/2022 - 9/30/2023)				
Current Period Revenue \$1,264				
Personal Services	\$ -	\$ -	\$ -	\$ -
Operating Services	1,264	1,264	-	1,264
Equipment	-	-	-	-
Totals	<u>\$ 1,264</u>	<u>\$ 1,264</u>	<u>\$ -</u>	<u>\$ 1,264</u>

Domestic Violence (DV)				
Grant Number DV 23371248				
Grant Period (10/1/2023 - 9/30/2024)				
Current Period Revenue \$391,576				
Personal Services	\$ 306,229	\$ 306,229	\$ -	\$ 306,229
Operating Services	85,347	85,347	-	85,347
Equipment	-	-	-	-
Totals	<u>\$ 391,576</u>	<u>\$ 391,576</u>	<u>\$ -</u>	<u>\$ 391,576</u>

(continued)

FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
STATEMENT OF COSTS CLAIMED AND ACCEPTED
FOR THE YEAR ENDED JUNE 30, 2024

	Costs Claimed 2024	Costs Accepted		
		Actual	Matching	Total
Rape Crisis (RC)				
Grant Number RC 22311248				
Grant Period (10/1/2022 - 9/30/2023)				
Current Period Revenue \$158,314				
Personal Services	\$ 104,698	\$ 104,698	\$ -	\$ 104,698
Operating Services	53,616	53,616	-	53,616
Equipment	-	-	-	-
Totals	<u>\$ 158,314</u>	<u>\$ 158,314</u>	<u>\$ -</u>	<u>\$ 158,314</u>
Rape Crisis (RC)				
Grant Number RC 23321248				
Grant Period (10/1/2023 - 9/30/2024)				
Current Period Revenue \$331,805				
Personal Services	\$ 258,339	\$ 258,339	\$ -	\$ 258,339
Operating Services	73,466	73,466	-	73,466
Equipment	-	-	-	-
Totals	<u>\$ 331,805</u>	<u>\$ 331,805</u>	<u>\$ -</u>	<u>\$ 331,805</u>
Victim Services				
Grant Number XC 22051248				
Grant Period (1/1/2023 - 12/31/2023)				
Current Period Revenue \$130,962				
Personal Services	\$ 62,880	\$ 62,880	\$ -	\$ 62,880
Operating Services	68,082	68,082	-	68,082
Equipment	-	-	-	-
Totals	<u>\$ 130,962</u>	<u>\$ 130,962</u>	<u>\$ -</u>	<u>\$ 130,962</u>
Victim Services				
Grant Number XC 23061248				
Grant Period (1/1/2024 - 12/31/2024)				
Current Period Revenue \$123,893				
Personal Services	\$ 74,099	\$ 65,909	\$ 8,190	\$ 74,099
Operating Services	49,794	41,119	8,675	49,794
Equipment	-	-	-	-
Totals	<u>\$ 123,893</u>	<u>\$ 107,028</u>	<u>\$ 16,865</u>	<u>\$ 123,893</u>

(continued)

FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
STATEMENT OF COSTS CLAIMED AND ACCEPTED
FOR THE YEAR ENDED JUNE 30, 2024

	Costs Claimed	Costs Accepted		
	2024	Actual	Matching	Total
Legal Assistance				
Grant Number XL 22051248				
Grant Period (1/1/2023 - 12/31/2023)				
Current Period Revenue \$75,659				
Personal Services	\$ 54,140	\$ 54,140	\$ -	\$ 54,140
Operating Services	21,519	21,519	-	21,519
Equipment	-	-	-	-
Totals	<u>\$ 75,659</u>	<u>\$ 75,659</u>	<u>\$ -</u>	<u>\$ 75,659</u>
Supervised Visitation				
Grant Number SP 22051248				
Grant Period (5/1/2023 - 4/30/2024)				
Current Period Revenue \$185,779				
Personal Services	\$ 132,784	\$ 122,546	\$ 10,238	\$ 132,784
Operating Services	52,995	52,995	-	52,995
Equipment	-	-	-	-
Totals	<u>\$ 185,779</u>	<u>\$ 175,541</u>	<u>\$ 10,238</u>	<u>\$ 185,779</u>
Supervised Visitation				
Grant Number SP 23061248				
Grant Period (5/1/2024 - 4/30/2025)				
Current Period Revenue \$22,573				
Personal Services	\$ 17,687	\$ 17,687	\$ -	\$ 17,687
Operating Services	4,886	4,886	-	4,886
Equipment	-	-	-	-
Totals	<u>\$ 22,573</u>	<u>\$ 22,573</u>	<u>\$ -</u>	<u>\$ 22,573</u>
Sexual Assault Response Team				
Grant Number XS 22021248				
Grant Period (1/1/2023 - 12/31/2023)				
Current Period Revenue \$37,381				
Personal Services	\$ 26,981	\$ 26,981	\$ -	\$ 26,981
Operating Services	10,400	10,400	-	10,400
Equipment	-	-	-	-
Totals	<u>\$ 37,381</u>	<u>\$ 37,381</u>	<u>\$ -</u>	<u>\$ 37,381</u>

(continued)

FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
STATEMENT OF COSTS CLAIMED AND ACCEPTED
FOR THE YEAR ENDED JUNE 30, 2024

	Costs Claimed		Costs Accepted	
	2024	Actual	Matching	Total
Sexual Assault Response Team				
Grant Number XS 23031248				
Grant Period (1/1/2024 - 12/31/2024)				
Current Period Revenue \$61,858				
Personal Services	\$ 53,112	\$ 32,512	\$ 20,600	\$ 53,112
Operating Services	8,746	8,746	-	8,746
Equipment	-	-	-	-
Totals	<u>\$ 61,858</u>	<u>\$ 41,258</u>	<u>\$ 20,600</u>	<u>\$ 61,858</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, 2024, 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 December 19, 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. However, material weaknesses or significant deficiencies may exist that were not identified.

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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*.

We noted certain matters that we reported to management of Family Services of Tulare County in a separate letter dated December 19, 2024.

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.

M. Green and Company CP

Visalia, California
December 19, 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, 2024. 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, 2024.

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 2024-001. 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 response to the noncompliance finding 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 response.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent (or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, 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.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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
December 19, 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, 2024

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?

 Yes X 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?

 X Yes 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, 2024**

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 four 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 officer) or (Chief Financial Officer). 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

The recommendation has already been put into place as of April 5, 2024. The accounting software tracks and is printable for verification of preparer of the journal entry as well as the approver and person posting. The CEO and CFO is who has the authority to approve and post.

**FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024**

Section III – Federal Findings

FINDING 2024-001

FEDERAL COMPLIANCE: SF-SAC SINGLE AUDIT DATA COLLECTION FORM

Crime Victims Assistance
Assistance Lising Number 16.575

Federal Award Identification Number AT 22031248
(1/1/2023 - 12/31/2023)

Federal Award Identification Number XC 22051248
(1/1/2023 - 12/31/2023)

Federal Award Identification Number AT 23041248
(1/1/2024 - 12/31/2024)

Federal Award Identification Number XC 23061248
(1/1/2024 - 12/31/2024)

Federal Award Identification Number DV 22361248
(10/1/2022 - 9/30/2023)

Federal Award Identification Number XL 22051248
(1/1/2023 - 12/31/2023)

Federal Award Identification Number DV 23371248
(10/1/2023 - 9/30/2024)

Federal Award Identification Number SP 22051248
(5/1/2023 - 4/30/2024)

Federal Award Identification Number RC 22311248
(10/1/2022 - 9/30/2023)

Federal Award Identification Number SP 23061248
(5/1/2024 - 4/30/2025)

Federal Award Identification Number RC 23321248
(10/1/2023 - 9/30/2024)

Federal Award Identification Number XS 22021248
(1/1/2023 - 12/31/2023)

Federal Award Identification Number XS 23031248
(1/1/2024 - 12/31/2024)

Criteria

In accordance with CFR section 200.512 of the Uniform Guidance, the audit must be completed and the data collection form and reporting package must be submitted to the Federal Audit Clearinghouse within the earlier of 30 calendar days after receipt of the auditors' report or nine months after the end of the audit period (whichever is earlier). The cognizant agency for audit or oversight agency for audit (in the absence of a cognizant agency for audit) may authorize an extension when the nine month timeframe would place an undue burden on the auditee.

Condition

The SF-SAC Single Audit Data Collection Form was not submitted to the Federal Audit Clearinghouse by the required deadline of March 30 each fiscal year.

Questioned Costs

Not Applicable

Proper Perspective

The Organization is not in compliance with Uniform Guidance.

Effect

The Organization is not in compliance with federal regulations and guidelines. There is no fiscal impact.

**FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024**

Cause

Due to delays in the audit process the Organization was not able to file the SF-SAC Single Audit Data Collection Form within the required timeframe.

Recommendation

We recommend the Organization submit the SF-SAC Single Audit Data Collection Forms within the required timeframe in the future or request an extension to file.

View of Responsible Officials

 X Agree Disagree



**CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2024**

FINDING 2024-001

FEDERAL COMPLIANCE: SF-SAC SINGLE AUDIT DATA COLLECTION FORM

Crime Victims Assistance
Assistance Lising Number 16.575

Federal Award Identification Number AT 22031248
(1/1/2023 - 12/31/2023)

Federal Award Identification Number XC 22051248
(1/1/2023 - 12/31/2023)

Federal Award Identification Number AT 23041248
(1/1/2024 - 12/31/2024)

Federal Award Identification Number XC 23061248
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Federal Award Identification Number XS 22021248
(1/1/2023 - 12/31/2023)

Federal Award Identification Number XS 23031248
(1/1/2024 - 12/31/2024)

Corrective Action Plan

FSTC will submit the SF-SAC Single Audit Data Collection Forms within the required timeframes in the future or agency will request an extension to file.

Name of the Contact Person Responsible for Corrective Action

Sandee Trobaugh

Anticipated Completion Date

January 18, 2025



**FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024**

Finding/Recommendation	Current Status	Explanation if not Implemented
<p>2023-001</p> <p>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).</p>	Implemented	
<p>2023-002</p> <p>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).</p>	Implemented	
<p>2023-003</p> <p>The six non-grant related journal entries tested during the audit did not have proper approvals.</p>	Not Implemented	See current year finding 2023-003