

FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2020

M. GREEN AND COMPANY LLP
Certified Public Accountants

FAMILY SERVICES OF TULARE COUNTY
A Non-Profit Corporation

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Family Services of Tulare County

Report on Financial Statements

We have audited the accompanying 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, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

*Hanford
Lindsay
Tulare
Visalia*

Opinion

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

Other Matters

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

The Statement of Costs Claimed and Accepted on pages 23 through 26 has not been subjected to the auditing procedures applied in the audit of the 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 30, 2020, on our consideration of Family Services' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Family Services' 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' internal control over financial reporting and compliance.

M. Green and Company LLP

Visalia, California
December 30, 2020

FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2020

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$	734,994	
Grants receivable		882,899	
Accounts receivable		65,857	
Prepaid expenses		15,062	
Total current assets			\$ 1,698,812

NON-CURRENT ASSETS:

Deposits		13,671	
Property and equipment, at cost:			
Land		313,945	
Buildings and improvements		1,580,749	
Machinery and equipment		41,116	
Furniture and fixtures		9,288	
Vehicles		127,248	
Less: accumulated depreciation		(696,652)	
Total non-current assets			1,389,365
Total assets			\$ 3,088,177

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Notes payable, current portion	\$	592,954	
Accounts payable		80,872	
Accrued liabilities		168,194	
Total current liabilities			\$ 842,020

NON-CURRENT LIABILITIES:

Notes payable, net of current portion		1,140,112	
Total non-current liabilities			1,140,112
Total liabilities			1,982,132

NET ASSETS:

Without donor restrictions, undesignated		879,719	
With donor restrictions		226,326	
Total net assets			1,106,045
Total liabilities and net assets			\$ 3,088,177

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, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>SUPPORT:</u>			
Government grants	\$ 5,292,026	\$ 151,070	\$ 5,443,096
Contributions	261,078	106,734	367,812
Fundraising	74,464	87,426	161,890
Total support	<u>5,627,568</u>	<u>345,230</u>	<u>5,972,798</u>
<u>REVENUE:</u>			
Counseling fees	328,485	-	328,485
Other revenue	69,004	-	69,004
Total revenue	<u>397,489</u>	<u>-</u>	<u>397,489</u>
NON-MONETARY DONATIONS	<u>151,879</u>	<u>-</u>	<u>151,879</u>
<u>NET ASSETS RELEASED FROM RESTRICTIONS</u>			
	<u>202,776</u>	<u>(202,776)</u>	<u>-</u>
TOTAL SUPPORT AND REVENUE	<u>6,379,712</u>	<u>142,454</u>	<u>6,522,166</u>
<u>EXPENSES:</u>			
Program services	5,734,102	-	5,734,102
Support services	932,105	-	932,105
Fundraising	176,518	-	176,518
Total expenses	<u>6,842,725</u>	<u>-</u>	<u>6,842,725</u>
<u>CHANGE IN NET ASSETS</u>	<u>(463,013)</u>	<u>142,454</u>	<u>(320,559)</u>
Net assets, beginning of year	<u>1,342,732</u>	<u>83,872</u>	<u>1,426,604</u>
Net assets, end of year	<u>\$ 879,719</u>	<u>\$ 226,326</u>	<u>\$ 1,106,045</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, 2020**

	<u>Program Services</u>	<u>Support Services</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ 3,108,237	\$ 472,936	\$ 86,357	\$ 3,667,530
Payroll taxes	220,407	35,059	6,119	261,585
Insurance	425,752	44,066	9,906	479,724
Retirement	23,978	3,095	1,075	28,148
Administrative	422,520	115,148	12,802	550,470
Travel and conferences	113,650	13,161	3,740	130,551
Rent	246,991	52,316	5,903	305,210
Utilities and telephone	203,721	48,212	1,825	253,758
Supplies	164,723	50,600	33,254	248,577
Equipment rental	15,930	6,014	1,056	23,000
Food	2,693	-	-	2,693
Printing and postage	3,698	2,117	688	6,503
Dues and memberships	4,496	17,559	-	22,055
General insurance	35,195	15,816	757	51,768
Advertising	894	3,868	366	5,128
Repairs and maintenance	76,633	15,781	2,498	94,912
Educational materials	48,488	-	2,310	50,798
Client assistance	477,458	-	-	477,458
Licenses and permits	21,957	1,000	5,794	28,751
Interest	18	13,166	-	13,184
Employee Moral	750	216	-	966
Accounting and auditing	26,565	14,565	200	41,330
Bank charges	-	2,557	62	2,619
Staff training	4,095	-	-	4,095
Other	23,822	-	-	23,822
Total before depreciation	5,672,671	927,252	174,712	6,774,635
Depreciation expense	61,431	4,853	1,806	68,090
Total expenses	<u>\$ 5,734,102</u>	<u>\$ 932,105</u>	<u>\$ 176,518</u>	<u>\$ 6,842,725</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, 2020

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ (320,559)
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Depreciation	68,090
Non-monetary donations	(151,879)
Non-monetary expenses	148,925
Changes in operating assets and liabilities:	
Increase in grants receivable	(167,651)
Increase in accounts receivable	(5,647)
Increase in prepaid expenses	(15,062)
Decrease in deposits	795
Decrease in deferred revenue	(20,154)
Increase in accounts payable and accrued liabilities	7,187
	(455,955)
Net cash used by operating activities	(455,955)

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of property and equipment	(25,895)
	(25,895)
Net cash used by investing activities	(25,895)

CASH FLOWS FROM FINANCING ACTIVITIES:

Proceeds from short-term borrowing	410,000
Payments made on short-term borrowing	(410,000)
Proceeds from issuance of long-term debt	696,250
	696,250
Net cash provided by financing activities	696,250
Net increase in cash and cash equivalents	214,400
Cash and cash equivalents, beginning of year	520,594
Cash and cash equivalents, end of year	\$ 734,994

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:

Cash paid for interest	\$ 13,184
Reduction of loan balances	\$ 2,954
Less annual amounts forgiven on loans	(2,954)
Net payments made on loans	\$ -

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, 2020

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.
- Specialized individual and group counseling for the developmentally disabled including conflict management and socialization and intimacy training.
- 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, 2020

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.

Accounts Receivable

Counseling fees are charged to patients on a sliding scale based on the patient's income and number of dependents. Most fees are paid at the time of service, however, prior arrangements for payments, third party reimbursements and other exceptions do occur. It is the policy of Family Services that a patient should not be seen if they are two payments behind. Any account which has not been paid within 90 days is written off as uncollectible. A list is kept of all accounts which have been written off. If a patient returns for counseling, all prior unpaid balances must be brought up to date before an appointment will be made.

FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2 – Summary of Significant Accounting Policies (continued)

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.

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 Principles

The following is a summary of upcoming FASB Statements that may have an impact on Family Services' future reporting:

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The new guidance establishes the principles to report transparent and economically neutral information about the assets and liabilities that arise from leases. The new guidance is effective for fiscal years beginning after December 15, 2021.

In July 2018, the FASB issued ASU 2018-10, *Codification Improvements to Topic 842, Leases*. The amendments in this Update affect narrow aspects of the guidance issued in the amendments in Update 2016-02. The new guidance is effective for fiscal years beginning after December 15, 2021.

FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2 – Summary of Significant Accounting Policies (continued)

New Accounting Principles (continued)

In July 2018, the FASB issued ASU 2018-11, *Leases (Topic 842): Targeted Improvements*. The amendments in this Update provide entities with an additional (and optional) transition method to adopt the new leases standard. The amendments in this Update also provide lessors with a practical expedient, by class of underlying asset, to not separate nonlease components from the associated lease component and, instead, to account for those components as a single component when certain conditions are met. The new guidance is effective for fiscal years beginning after December 15, 2021.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework – Changes to Disclosure Requirements for Fair Value Measurement*. The amendments in this Update are part of the disclosure framework project, in which the objective and primary focus are to improve the effectiveness of disclosures in the notes to financial statements by facilitating clear communication of the information required by generally accepted accounting principles (GAAP) that is most important to users of each entity's financial statements. They modify the disclosure requirement on fair value measures in Topic 820, *Fair Value Measurement*, based on the concepts in the Concepts Statement, including the consideration of costs and benefits. The new guidance is effective for fiscal years beginning after December 15, 2019.

In December 2018, the FASB issued ASU 2018-20, *Leases (Topic 842): Narrow-Scope Improvements for Lessors*. The amendments in this Update increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing transactions. The new guidance is effective for fiscal years beginning after December 15, 2021.

In March 2019, the FASB issued ASU 2019-01, *Leases (Topic 842): Codification Improvements*. The amendments in this Update increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing transactions. The new guidance is effective for fiscal years beginning after December 15, 2021.

In March 2019, the FASB issued ASU 2019-03, *Not-for-Profit Entities (Topic 958): Updating the Definitions of Collections*. The amendments in this Update improve the definition of collections in the Master Glossary by realigning it with the definition in the American Alliance of Museums' (AAM) Code of Ethics for Museums. The Update also makes a technical correction in Topic 360, *Property, Plant, and Equipment*, to clarify that the accounting and disclosure guidance for collections in Subtopic 958-360, *Not-for-Profit Entities—Property, Plant, and Equipment*, applies to business entities as well as not-for-profit entities. The new guidance is effective for fiscal years beginning after December 15, 2019.

In March 2020, the FASB issued ASU 2020-04, *Codification Improvements to Financial Instruments*. The amendments in this Update clarify or address the following stakeholders' specific issues; Fair Value Option Disclosures, Applicability of Portfolio Exception in Topic 820 to Nonfinancial items, Disclosures for Depository and Lending Institutions, Cross-Reference to Line-of-Credit or Revolving-Debt Arrangements Guidance in Subtopic 470-50, Cross-Reference to Net Asset Value Practical Expedient in Subtopic 820-10, Interaction of Topic 842 and Topic 326, Interaction of Topic 326 and Subtopic 860-20. The new guidance is effective for fiscal years beginning after December 15, 2019.

FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2 – Summary of Significant Accounting Policies (continued)

New Accounting Principles (continued)

In September 2020, the FASB issued ASU 2020-07, *Not-For-Profit Entities (Topic 958): Presentation and Disclosures by Not-For-Profit Entities for Contributed Nonfinancial Assets*. The amendments in this Update apply to NFPs that receive contributed nonfinancial assets. Contribution revenue may be presented in the financial statements using different terms (for example, gifts, donations, grants, gifts-in-kind, donated services, or other terms). The amendments address presentation and disclosure of contributed nonfinancial assets. The amendments in this Update should be applied on a retrospective basis and are effective for annual periods beginning after June 15, 2021.

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, 2020, cash balance exceeding the federally insured limit was \$587,155.

NOTE 5 – 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, 2020, consisted of the following:

California Office of Emergency Services	\$ 426,290
Tulare County Health & Human Services Agency	166,015
California Department of Public Health	62,676
Tulare County Sheriff's Department	58,704
Housing and Urban Development	41,723
City of Visalia	35,444
City of Tulare	33,339
Violence Against Women Office	33,302
First 5 of Tulare County	10,504
Superior Court of Tulare County	9,636
Fresno Economic Opportunities Commission	3,688
Cutler-Orosi Unified School District	1,500
Miscellaneous	78
	<hr/>
Total	<u>\$ 882,899</u>

FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Note 6 – 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 five percent. The line of credit matures on May 5, 2024. There was no outstanding balance at June 30, 2020.

NOTE 7 – Notes Payable

The following is a summary of Family Services' notes payable at June 30, 2020:

EHAPCD loan, dated in 2010, from the State of California for the development of the Tulare Transitional Housing Facility. 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 Tulare, California. \$ 590,000

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. 22,176

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. 105,273

FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7 – Notes Payable (continued)

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.

8,417

On April 17, 2020, Family Services entered into a loan agreement for \$696,250 to maintain payroll and cover certain other existing overhead costs during the COVID-19 pandemic. The interest rate is one percent per year and matures two years from the date of the loan. Payments will be deferred until August 6, 2021, which is 24 weeks plus 10 months from the funding date of April 6, 2020. The loan is made under the provisions of the Paycheck Protection Program and the revisions made under the Paycheck Protection Flexibility Act of 2020. The principal under this loan may be reduced or forgiven in accordance with the loan forgiveness provisions of the CARES Act. The principal of this loan is not to be deemed forgiven or reduced until documented in writing, signed by the lender.

696,250

Total notes payable
Less current portion

1,733,066
(592,954)

Long-term portion

\$ 1,140,112

Annual required principal payments on these notes are as follows:

2021	\$	592,954
2022		731,695
2023		281,413
2024		2,954
2025		2,954
Thereafter		<u>121,096</u>
Total		<u><u>\$ 1,733,066</u></u>

FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8 – Net Assets

Family Services' net assets at June 30, 2020 consisted of the following:

Net assets without donor restrictions:

Undesignated	\$ 879,719
Total net assets without donor restrictions	<u>879,719</u>

Net assets with donor restrictions:

Subject to expenditure for specified purpose:

Supervised visitation	2,035
Shelter expenses	60,311
Domestic violence	26,456
Karen Cooper Legacy - employee enrichment	23,596
COVID-19 related expenses	32,014
Various direct program expenses	26,991
Transitional housing, Karen's House	11,790
Supportive housing, general expenses	19,595
In-home parenting, Goshen	107
Childrens Counseling Center, Karen's House	2,125
Goshen Family Center	5,000
Transitional housing, Goshen Summer Program	8,918
Operating, COVID-19 expense	7,388
Total net assets with donor restrictions	<u>226,326</u>

Total net assets	<u>\$ 1,106,045</u>
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NOTE 9 – 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, 2020, were \$151,879, of which \$148,925 and \$2,954 were for donated services and for annual amounts forgiven on loans, respectively.

NOTE 10 – Operating Leases

The lease for property located at 307 West Murray in Visalia, California required monthly rent payments of \$1,750. This lease expired March 31, 2020. The lease was renewed effective November 1, 2020 with monthly rent payments of \$1,850 expiring June 30, 2022. For the period of April 2020 to October 2020, the lease was temporarily a month-to-month lease with monthly rent payments of \$1,850.

The lease for property located at 221 North Johnson in Visalia, California was renewed effective August 1, 2018 for a period of three years. The renewal requires monthly rent payments of \$1,645, subject to a \$30 annual increase each August 1st.

FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 10 – Operating Leases (continued)

The lease for property located at 735 West Oak in Visalia, California was renewed through December 31, 2021, it requires monthly rent payments of \$1,275, subject to a \$25 increase commencing January 1, 2020, and each year thereafter throughout the term of the lease.

The lease for property located at 396 Third Street in Porterville, California required monthly rent payments of \$843 for a two year term commencing September 1, 2017. Family Services did not renew the lease upon expiration at August 31, 2019.

The lease for property located at 313 and 315 West Henderson Ave in Porterville requires monthly payments of \$1,200 for the first year, increasing by two percent each year commencing July 1, 2020. The lease contains a two year extension option with the continued increase of two percent in rent.

The lease for property located at 220 Stevenson Street in Visalia, California requires monthly rent payments of \$980 for a three year term commencing July 1, 2018. Monthly rent expense is subject to a \$25 increase commencing July 1, 2019, and each year thereafter throughout the term of the lease.

The lease for property located at 1011 West Center Street in Visalia requires monthly payments of \$1,500 for a three year term, commencing August 1, 2019.

The lease for property located at 421 North Church Street in Visalia, California required monthly payments of \$1,200 for a three year term commencing January 1, 2017. Effective December 16, 2020, the lease was renewed on the same terms expiring December 31, 2022.

The lease for property located at 916 West Oak Street in Visalia, California requires monthly rent payments of \$1,650 for a five year term commencing May 1, 2018. The monthly payments increase to \$1,700 per month on May 1, 2022, for the remainder of the term.

The lease for property located at 401 North Church Street in Visalia, California requires monthly rent payments of \$3,213 for a five year term commencing September 15, 2017. The monthly payments increase by three percent every September 15th.

The lease for property located at 409 North Church Street in Visalia, California requires monthly rent payments of \$1,200 for a four year term commencing January 15, 2019. The monthly rent payments are subject to a \$100 increase commencing January 15, 2020, and each year thereafter throughout the term of the lease.

The lease for copiers with U.S. Bank Equipment Finance requires monthly payments of \$1,272 for a 48 month term commencing July 1, 2018. The lease agreement contains no purchase option.

The lease for a copier with U.S. Bank Equipment Finance requires monthly payments of \$136 for a 48 month term commencing February 1, 2018. The lease agreement contains no purchase option.

FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 10 – Operating Leases (continued)

The lease for a copier with U.S. Bank Equipment Finance requires monthly payments of \$112 for a 42 month term commencing February 1, 2019. The lease agreement contains no purchase option.

The lease for a copier with Leaf Capital Funding, LLC requires monthly payments of \$93 for a 60 month term commencing July 10, 2019. The lease agreement contains no purchase option.

The lease for a copier with Pitney Bowes Global Finance requires monthly payments of \$86 for a 63 month term commencing October 1, 2017. The lease agreement contains no purchase option.

Rent expense during the year ended June 30, 2020, was \$211,262.

As of June 30, 2020, the future minimum operating lease payments under these non-cancelable leases, are as follows:

2021	\$ 216,104
2022	179,789
2023	43,707
2024	<u>1,116</u>
Total	<u>\$ 440,716</u>

Family Services will receive no sublease revenue nor pay any contingent rental associated with these leases.

NOTE 11 – California Office of Emergency Services

During the year, Family Services had eight 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:

	Domestic Violence	Rape Crisis	Child Abuse Treatment Program	Traditional Housing	Victim Services	Legal Assistance	Supervised Visitation
<u>Personal Services:</u>							
Without donor restrictions							
In-kind volunteers	\$ -	\$ 100,296	\$ -	\$ 1,979	\$ -	\$ -	\$ -
Other sources	-	2,536	-	3,479	21,825	10,610	-
State of California:							
Shelter relief staff	4,629	-	-	-	-	-	-
Therapist interns	1,947	-	-	-	-	-	-
Direct services staff	-	-	63,958	-	-	-	47,802
<u>Operating Services:</u>							
Unrestricted fund:							
Other sources	18,256	-	-	-	18,549	-	-
In-kind donation	-	-	-	34,814	-	19,880	-
Totals	<u>\$ 24,832</u>	<u>\$ 102,832</u>	<u>\$ 63,958</u>	<u>\$ 40,272</u>	<u>\$ 40,374</u>	<u>\$ 30,490</u>	<u>\$ 47,802</u>

FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 12 – 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, 2020, was \$28,148.

NOTE 13 – 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 6.

The following table reflects Family Services' financial assets as of June 30, 2020, 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	\$ 734,994
Grants receivable	882,899
Accounts receivables	65,857
Prepaid expenses	<u>15,062</u>
Total financial assets	<u>1,698,812</u>
Donor-imposed restrictions:	
Other donor restrictions (Note 8)	<u>(226,326)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,472,486</u>

NOTE 14 – 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.

FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 15 – Commitments & Contingencies

Covid-19

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) a pandemic. As a result, economic uncertainties have arisen which may negatively impact the change in net assets. Other financial impacts could occur though such potential impacts are unknown at this time.

NOTE 16 – Subsequent Events

Management has evaluated subsequent events through December 30, 2020, 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 disclosed in Note 10.

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, 2020**

	California Office of Emergency Services	Department of Justice	Violence Against Women Office	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	\$ 1,944,706	\$ 224,433	\$ 14,044	\$ 106,998	\$ 166,899	\$ 161,875	\$ 264,073	\$ 24,551	\$ 92,253	\$ 50,807	\$ 153,365	\$ 13,043	\$ 29,757	\$ 3,246,804
Other revenue	-	-	-	-	-	-	-	-	-	-	19,772	-	-	19,772
Total support	1,944,706	224,433	14,044	106,998	166,899	161,875	264,073	24,551	92,253	50,807	173,137	13,043	29,757	3,266,576
Expenses:														
Salaries and wages	1,095,266	139,123	5,439	14,903	64,141	45,861	73,959	13,960	65,882	23,847	16,677	7,730	18,346	1,585,134
Payroll taxes	83,995	10,276	703	1,129	4,514	3,645	5,611	1,046	4,883	1,799	1,268	566	1,381	120,816
Insurance	156,410	14,727	750	1,585	9,215	5,862	9,336	2,404	11,619	3,202	2,627	1,345	3,375	222,457
Retirement	8,399	963	88	177	784	366	644	171	515	-	32	21	44	12,204
Administrative	308,861	23,130	1,258	5,664	4,958	225	54,096	4,134	1,811	4,299	1,557	1,008	2,955	413,956
Travel and conferences	35,628	9,716	87	-	1,965	101	6,192	50	1,443	2,889	110	177	85	58,443
Rent	54,240	9,224	938	-	5,618	61,939	12,712	1,273	8,334	1,624	674	648	1,550	158,774
Utilities and telephone	52,638	7,669	360	11,428	3,618	8,862	26,460	719	3,515	1,173	419	333	850	118,044
Supplies	51,184	2,018	49	2,331	968	218	2,518	152	4,594	1,516	960	931	121	67,560
Equipment rental	3,903	794	24	1,171	344	162	913	135	647	130	39	34	83	8,379
Printing postage	1,330	166	13	16	79	61	382	18	78	30	11	10	24	2,218
Dues and memberships	343	150	-	-	-	-	240	-	-	-	-	-	-	733
General insurance	13,063	1,541	211	3,331	660	477	2,386	159	784	202	124	65	212	23,215
Advertising	297	-	-	-	-	-	-	-	-	-	-	-	-	297
Repairs and maintenance	24,624	2,042	50	3,622	1,107	528	9,752	235	1,032	327	89	105	265	43,778
Educational materials	21,317	51	-	1,002	-	-	-	-	-	-	-	-	-	22,370
Client assistance	34,918	2,684	4,074	46	68,558	34,870	74,132	-	-	10,052	139,984	-	305	369,623
Interest	18	-	-	-	-	-	-	-	-	-	-	-	-	18
Accounting and auditing	8,570	-	-	281	370	-	2,340	95	380	570	133	68	158	12,965
Staff training	-	84	-	-	-	-	-	-	-	(854)	-	-	-	(770)
Total expenses	1,955,004	224,358	14,044	46,686	166,899	163,177	281,673	24,551	105,517	50,806	164,704	13,041	29,754	3,240,214
Excess revenue (expense)	\$ (10,298)	\$ 75	\$ -	\$ 60,312	\$ -	\$ (1,302)	\$ (17,600)	\$ -	\$ (13,264)	\$ 1	\$ 8,433	\$ 2	\$ 3	\$ 26,362

**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, 2020**

	California Office of Emergency Services	California Coalition Against Sexual Assault	Tulare County Health and Human Services Agency	Tulare County Probation Nurturing Parenting	Tulare County Sheriff's Department	Tulare County Clerk/ Recorder	City of Visalia	First 5 of Tulare County	Cutler-Orosi Unified School District	College of Sequoias	Total
Support:											
Government grants	\$ 180,820	\$ 35,537	\$ 1,133,804	\$ 71,138	\$ 209,499	\$ 40,572	\$ 135,924	\$ 358,405	\$ 26,105	\$ 4,488	\$ 2,196,292
Counseling fees	-	-	178,982	-	-	-	-	-	-	5,511	184,493
Other revenue	-	-	-	-	-	-	11,070	-	-	-	11,070
Total support	180,820	35,537	1,312,786	71,138	209,499	40,572	146,994	358,405	26,105	9,999	2,391,855
Expenses:											
Salaries and wages	130,036	-	645,192	27,367	103,127	3,872	56,075	239,418	14,748	7,061	1,226,896
Payroll taxes	9,724	-	48,322	2,055	7,036	295	4,046	18,451	1,062	523	91,514
Insurance	20,718	-	96,444	2,756	12,115	225	13,985	27,402	3,458	913	178,016
Retirement	750	-	6,111	207	391	57	317	2,420	212	76	10,541
Administrative	14,079	-	352,508	3,995	16,986	3,839	9,209	33,341	2,489	1,050	437,496
Travel and conferences	1,685	-	30,359	799	14,724	522	517	2,505	828	-	51,939
Rent	-	-	41,422	1,808	3,561	9,997	3,850	11,075	320	64	72,097
Utilities and telephone	894	-	32,199	1,170	4,347	18,304	3,919	5,009	745	187	66,774
Supplies	1,215	24,381	27,918	2,607	9,463	686	532	3,714	45	16	70,577
Equipment rental	244	-	4,293	225	395	168	252	700	29	7	6,313
Printing postage	125	-	756	37	110	54	206	287	13	10	1,598
Dues and memberships	-	6,224	-	-	-	-	-	-	-	-	6,224
General insurance	426	-	8,256	264	1,012	35	664	2,632	167	42	13,498
Advertising	-	-	-	-	512	-	-	-	-	-	512
Repairs and maintenance	635	-	13,484	464	8,206	2,463	798	1,190	84	10	27,334
Educational materials	(214)	-	3,379	49	5,998	-	1,398	8,505	-	-	19,115
Client assistance	1,704	1,150	8,746	38	20,945	60	49,168	-	-	-	81,811
Accounting and auditing	-	-	4,440	-	840	-	-	1,760	900	-	7,940
Staff training	-	-	250	-	-	-	-	-	-	-	250
Total expenses	182,021	31,755	1,324,079	43,841	209,768	40,577	144,936	358,409	25,100	9,959	2,370,445
Excess revenue (expense)	\$ (1,201)	\$ 3,782	\$ (11,293)	\$ 27,297	\$ (269)	\$ (5)	\$ 2,058	\$ (4)	\$ 1,005	\$ 40	\$ 21,410

FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2020

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA 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	\$ -	\$ 83,585
Passed Through the Office of Community Planning and Development: Continuum of Care Program	14.267	N/A	-	161,875
Passed Through the City of Porterville: Shelter Plus Care	14.238	N/A	-	13,042
Passed Through the City of Visalia: Shelter Plus Care	14.238	N/A	-	29,757
Passed Through the City of Tulare: Shelter Plus Care	14.238	N/A	-	144,965
Total CFDA 14.238			-	187,764
Passed Through the City of Tulare: Community Development Block Grant	14.218	N/A	-	8,400
Total U.S. Department of Housing and Urban Development (HUD)			-	441,624
<u>U.S. Department of Justice:</u>				
Services for Trafficking Victims	16.320	N/A	1,003	224,360
Passed Through Office of Violence Against Women: Enhanced Training and Services to End Violence and Abuse of Women Later in Life	16.528	N/A	-	14,044
Passed Through the Office of Tulare County Sheriff: Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.588	18451	-	24,551
Passed Through California Office of Emergency Services: Domestic Violence Response Team	16.588	N/A	19,484	84,601
Total CFDA 16.588			19,484	109,152
Crime Victims Assistance	16.575	18200	107,366	1,802,401
Total Passed Through California Office of Emergency Services			126,850	1,887,002
Passed Through the Fresno Economic Opportunities Commission: Crime Victims Assistance	16.575	N/A	-	50,807
Total CFDA 16.575			107,366	1,853,208
Total U.S. Department of Justice			127,853	2,200,764
<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	-	83,314
Passed Through the County of Tulare HHSA: Medical Assistance Program	93.778	N/A	-	114,932
HIV Care Formula Grants	93.917	4607	-	95,797
Block Grants for Prevention and Treatment of Substance Abuse	93.959	4730	-	56,063
Total Passed Through County of Tulare HHSA			-	266,792
Passed Through the County of Tulare Superior Court: Grants to States for Access and Visitation Programs	93.597	N/A	-	92,253
Passed Through the California Office of Emergency Services: Family Violence Prevention and Services/Grants for Battered Women's Shelters-Grants to States and Indian Tribes	93.671	18234	-	54,415
Total U.S. Department of Health and Human Services			-	496,774
<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	-	46,687
Total U.S. Department of Homeland Security			-	46,687
Total Expenditures of Federal Awards			\$ 127,853	\$ 3,185,849

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, 2020

NOTE 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Family Services and is presented on the accrual basis of accounting. 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*.

NOTE 2 – De Minimis Cost Rate

Family Services did not elect 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, 2020**

	Costs	Costs Accepted		
	Claimed	Actual	Matching	Total
	2020			
Child Abuse Treatment (CHAT)				
Grant Number XT 15011248				
Grant Period (4/1/16 - 12/1/19)				
Current Period Revenue \$163,205				
Personal Services	\$ 121,002	\$ 101,843	\$ 19,159	\$ 121,002
Operating Services	42,203	42,203	-	42,203
Equipment	-	-	-	-
Totals	<u>\$ 163,205</u>	<u>\$ 144,046</u>	<u>\$ 19,159</u>	<u>\$ 163,205</u>
Child Abuse Treatment (CHAT)				
Grant Number AT 19021248				
Grant Period (1/1/20-12/31/20)				
Current Period Revenue \$147,077				
Personal Services	\$ 123,713	\$ 78,914	\$ 44,799	\$ 123,713
Operating Services	23,364	23,364	-	23,364
Equipment	-	-	-	-
Totals	<u>\$ 147,077</u>	<u>\$ 102,278</u>	<u>\$ 44,799</u>	<u>\$ 147,077</u>
Domestic Violence (DV)				
Grant Number DV 18321248				
Grant Period (10/1/18-9/30/19)				
Current Period Revenue \$137,468				
Personal Services	\$ 105,238	\$ 103,354	\$ 1,884	\$ 105,238
Operating Services	32,230	26,530	5,700	32,230
Equipment	-	-	-	-
Totals	<u>\$ 137,468</u>	<u>\$ 129,884</u>	<u>\$ 7,584</u>	<u>\$ 137,468</u>
Domestic Violence (DV)				
Grant Number DV 17311248				
Grant Period (10/1/19-9/30/20)				
Current Period Revenue \$433,689				
Personal Services	\$ 370,185	\$ 365,492	\$ 4,693	\$ 370,185
Operating Services	62,329	49,774	12,555	62,329
Equipment	-	-	-	-
Totals	<u>\$ 432,514</u>	<u>\$ 415,266</u>	<u>\$ 17,248</u>	<u>\$ 432,514</u>

(continued)

FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
STATEMENT OF COSTS CLAIMED AND ACCEPTED
FOR THE YEAR ENDED JUNE 30, 2020

	Costs	Costs Accepted		
	Claimed	Actual	Matching	Total
	2020			
Rape Crisis (RC)				
Grant Number RC 17261248				
Grant Period (10/1/16-9/30/19)				
Current Period Revenue \$292,159				
Personal Services	\$ 140,564	\$ 123,501	\$ 17,063	\$ 140,564
Operating Services	95,705	95,705	-	95,705
Equipment	-	-	-	-
Totals	<u>\$ 236,269</u>	<u>\$ 219,206</u>	<u>\$ 17,063</u>	<u>\$ 236,269</u>

Rape Crisis (RC)				
Grant Number RC 19281248				
Grant Period (10/1/19-9/30/20)				
Current Period Revenue \$402,345				
Personal Services	\$ 314,068	\$ 228,272	\$ 85,796	\$ 314,068
Operating Services	82,945	82,945	-	82,945
Equipment	-	-	-	-
Totals	<u>\$ 397,013</u>	<u>\$ 311,217</u>	<u>\$ 85,796</u>	<u>\$ 397,013</u>

Victim Services				
Grant Number XC 16011248				
Grant Period (7/1/16-12/31/19)				
Current Period Revenue \$184,617				
Personal Services	\$ 72,395	\$ 54,623	\$ 17,771	\$ 72,394
Operating Services	112,222	104,138	8,085	112,223
Equipment	-	-	-	-
Totals	<u>\$ 184,617</u>	<u>\$ 158,761</u>	<u>\$ 25,856</u>	<u>\$ 184,617</u>

Victim Services				
Grant Number XC 19021248				
Grant Period (1/1/20-12/31/20)				
Current Period Revenue \$100,642				
Personal Services	\$ 54,665	\$ 50,611	\$ 4,054	\$ 54,665
Operating Services	45,977	35,513	10,464	45,977
Equipment	-	-	-	-
Totals	<u>\$ 100,642</u>	<u>\$ 86,124</u>	<u>\$ 14,518</u>	<u>\$ 100,642</u>

(continued)

**FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
STATEMENT OF COSTS CLAIMED AND ACCEPTED
FOR THE YEAR ENDED JUNE 30, 2020**

	Costs Claimed	Costs Accepted		
	2020	Actual	Matching	Total
Transitional Housing Grant Number XH 16011248 Grant Period (7/1/16 - 12/31/19) Current Period Revenue \$70,930				
Personal Services	\$ 35,980	\$ 34,000	\$ 1,980	\$ 35,980
Operating Services	34,950	148	34,802	34,950
Equipment	-	-	-	-
Totals	<u>\$ 70,930</u>	<u>\$ 34,148</u>	<u>\$ 36,782</u>	<u>\$ 70,930</u>

Transitional Housing Grant Number XH 19021248 Grant Period (1/1/20-12/31/20) Current Period Revenue \$117,322				
Personal Services	\$ 75,288	\$ 71,809	\$ 3,479	\$ 75,288
Operating Services	42,034	42,001	33	42,034
Equipment	-	-	-	-
Totals	<u>\$ 117,322</u>	<u>\$ 113,810</u>	<u>\$ 3,512</u>	<u>\$ 117,322</u>

Domestic Violence Response Team Program Grant Number VA 17011248 Grant Period (1/1/18 - 12/31/19) Current Period Revenue \$60,686				
Personal Services	\$ 33,166	\$ 33,166	\$ -	\$ 33,166
Operating Services	27,520	27,520	-	27,520
Equipment	-	-	-	-
Totals	<u>\$ 60,686</u>	<u>\$ 60,686</u>	<u>\$ -</u>	<u>\$ 60,686</u>

Domestic Violence Response Team Program Grant Number VA 19031248 Grant Period (1/1/20-12/31/20) Current Period Revenue \$21,232				
Personal Services	\$ 17,632	\$ 17,632	\$ -	\$ 17,632
Operating Services	6,500	6,500	-	6,500
Equipment	-	-	-	-
Totals	<u>\$ 24,132</u>	<u>\$ 24,132</u>	<u>\$ -</u>	<u>\$ 24,132</u>

(continued)

FAMILY SERVICES OF TULARE COUNTY
(A Non-Profit Corporation)
STATEMENT OF COSTS CLAIMED AND ACCEPTED
FOR THE YEAR ENDED JUNE 30, 2020

	Costs	Costs Accepted		
	Claimed 2020	Actual	Matching	Total
Legal Assistance				
Grant Number KL 17011248				
Grant Period (11/1/17 - 12/31/19)				
Current Period Revenue \$146,532				
Personal Services	\$ 79,748	\$ 54,494	\$ 25,254	\$ 79,748
Operating Services	66,785	66,785	-	66,785
Equipment	-	-	-	-
Totals	\$ 146,533	\$ 121,279	\$ 25,254	\$ 146,533

Legal Assistance				
Grant Number XL 19021248				
Grant Period (1/1/20-12/31/20)				
Current Period Revenue \$96,629				
Personal Services	\$ 75,624	\$ 70,387	\$ 5,237	\$ 75,624
Operating Services	21,005	21,005	-	21,005
Equipment	-	-	-	-
Totals	\$ 96,629	\$ 91,392	\$ 5,237	\$ 96,629

Supervised Visitation				
Grant Number SP 18011248				
Grant Period (5/1/19 - 4/30/20)				
Current Period Revenue \$206,329				
Personal Services	\$ 137,321	\$ 94,978	\$ 42,343	\$ 137,321
Operating Services	69,008	69,008	-	69,008
Equipment	-	-	-	-
Totals	\$ 206,329	\$ 163,986	\$ 42,343	\$ 206,329

Supervised Visitation				
Grant Number SP 19021248				
Grant Period (5/1/20 - 4/30/21)				
Current Period Revenue \$22,029				
Personal Services	\$ 18,394	\$ 12,935	\$ 5,459	\$ 18,394
Operating Services	3,635	3,635	-	3,635
Equipment	-	-	-	-
Totals	\$ 22,029	\$ 16,570	\$ 5,459	\$ 22,029

OTHER INDEPENDENT AUDITORS' REPORTS



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KRISTI WEAVER, C.P.A.

**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, 2020, 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 30, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Family Services' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Family Services' internal control. Accordingly, we do not express an opinion on the effectiveness of Family Services' 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

*Hanford
Lindsay
Tulare
Visalia*

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Family Services' 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 in a separate letter dated December 30, 2020.

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 LLP

Visalia, California
December 30, 2020



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**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

We have audited Family Services of Tulare County's (Family Services) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Family Services' major federal program for the year ended June 30, 2020. Family Services' major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on the Major Federal Program

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

*Hanford
Lindsay
Tulare
Visalia*

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 30, 2020

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, 2020**

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? Yes X 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? Yes X No

Identification of major program:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
16.575	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

Section II – Financial Statement Findings

None

Section III – Federal Findings

None

**FAMILY SERVICES OF TULARE COUNTY
 (A Non-Profit Corporation)
 SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
 FOR THE YEAR ENDED JUNE 30, 2020**

Finding/Recommendation	Current Status	Explanation if not Implemented
<p>2018-001 The documentation given to the subrecipient was lacking information required by 2 CFR Section 200.331(a). The documentation did not include the CFDA number and name of the Federal Award. We recommended the Organization amend all current subaward agreements with pass-through entities (PTE) to make the subrecipients aware of the award information required by 2 CFR Section 200.331(a). We also recommended that going forward, employees are trained to properly complete the subaward agreements to ensure all subaward agreements with PTE include all of the award information required by 2 CFR Section 200.331(a).</p>	<p>Implemented</p>	