



*Reports of Independent Auditors and
Financial Statements with Supplementary Information*

Marjaree Mason Center, Inc.

*September 30, 2020 with Summarized Comparative Information
for the Year Ended September 30, 2019*



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Report of Independent Auditors

To the Board of Directors
Marjaree Mason Center, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Marjaree Mason Center, Inc., which comprise the statement of financial position as of September 30, 2020, and the related statements of activities and changes in net assets, 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.

Auditor's 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 auditor's 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 auditor considers 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Marjaree Mason Center, Inc., as of September 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*Supplementary Information*

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* (Uniform Guidance), is 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 information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Summarized Comparative Information

We have previously audited Marjaree Mason Center, Inc.'s 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 30, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Information

The combining schedule of revenue, support, and expenses 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 issued our report dated February 23, 2021, on our consideration of Marjaree Mason Center, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Marjaree Mason Center, Inc.'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 Marjaree Mason Center, Inc.'s internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "M. Allen" followed by a stylized flourish.

Fresno, California
February 23, 2021

Financial Statements

Marjaree Mason Center, Inc.
Statements of Financial Position
September 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,787,819	\$ 527,920
Investments in marketable securities	1,448,091	1,288,614
Grants receivable, net	793,961	1,134,758
Current portion of pledges receivable	148,806	150,365
Other receivables	-	41,812
Prepaid expenses	85,350	152,043
Deposits	<u>42,325</u>	<u>67,488</u>
Total current assets	4,306,352	3,363,000
PROPERTY AND EQUIPMENT, net	2,905,526	3,077,360
CONSTRUCTION IN PROGRESS	50,688	27,240
PLEDGES RECEIVABLE, net of current portion	75,000	100,000
BENEFICIAL INTEREST IN PERPETUAL TRUSTS	<u>194,292</u>	<u>186,757</u>
Total assets	<u>\$ 7,531,858</u>	<u>\$ 6,754,357</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 404,117	\$ 278,588
Accrued salaries and benefits	315,689	177,392
Deferred revenue	88,900	177,243
Current portion of long-term debt	<u>1,000,000</u>	<u>-</u>
Total current liabilities	1,808,706	633,223
LONG-TERM DEBT	<u>-</u>	<u>1,000,000</u>
Total liabilities	<u>1,808,706</u>	<u>1,633,223</u>
NET ASSETS		
Without donor restriction	4,670,722	4,379,915
With donor restriction	<u>1,052,430</u>	<u>741,219</u>
Total net assets	<u>5,723,152</u>	<u>5,121,134</u>
Total liabilities and net assets	<u>\$ 7,531,858</u>	<u>\$ 6,754,357</u>

Marjaree Mason Center, Inc.
Statement of Activities and Changes in Net Assets
Year Ended September 30, 2020
(with Summarized Financial Information for the Year Ended September 30, 2019)

	Without donor restriction	With donor restriction	Total	
			2020	2019
REVENUES, GAINS, AND OTHER SUPPORT				
Grants and contracts	\$ 4,134,787	\$ -	\$ 4,134,787	\$ 4,805,751
Contributions	1,442,436	811,570	2,254,006	1,436,427
In-kind donations	191,681	-	191,681	69,952
Special events	264,361	-	264,361	512,819
Program fees	258,062	-	258,062	381,785
Other income	11,636	-	11,636	80,403
Legacies and bequests	212,702	-	212,702	-
Paycheck protection program (PPP) grant	795,000	-	795,000	-
Loss on disposal of assets	-	-	-	(17,987)
Unrealized gain (loss) in fair value of perpetual trusts	-	7,535	7,535	(4,253)
Interest and dividend income, net	45,925	-	45,925	164
Net realized and unrealized gain in fair value of investments	28,513	-	28,513	32,757
Total revenues, gains, and other support	7,385,103	819,105	8,204,208	7,297,818
NET ASSETS RELEASED FROM FROM RESTRICTIONS				
Restrictions satisfied by payment of related expenses	507,894	(507,894)	-	-
Total revenues, gains, and other support after net assets released from restrictions	7,892,997	311,211	8,204,208	7,297,818
EXPENSES				
Program services	6,180,745	-	6,180,745	5,953,644
Supporting services	1,000,002	-	1,000,002	977,149
Fundraising	429,490	-	429,490	360,175
Total expenses	7,610,237	-	7,610,237	7,290,968
Change in net assets	282,760	311,211	593,971	6,850
Net assets, beginning of year	4,379,915	741,219	5,121,134	4,769,481
Contribution of grant funded assets	121,996	-	121,996	429,183
Depreciation on grant funded assets	(113,949)	-	(113,949)	(80,350)
Deletion of grant funded assets	-	-	-	(4,030)
Net assets, end of year	\$ 4,670,722	\$ 1,052,430	\$ 5,723,152	\$ 5,121,134

Marjaree Mason Center, Inc.
Statement of Functional Expenses
Year Ended September 30, 2020

(with Summarized Financial Information for the Year Ended September 30, 2019)

	Program Services					Supporting Services	Fundraising	Total	
	Emergency Services	Rehousing Services	Advocacy and Legal Assistance	Other Programs	Total Program Services			2020	2019
Accounting and legal	\$ 12,600	\$ 13,800	\$ 1,800	\$ 1,800	\$ 30,000	\$ 21,223	\$ -	\$ 51,223	\$ 28,861
Advertising	-	-	-	3	3	-	37	40	3,267
Bad debt expense	246,630	8,138	2,309	-	257,077	-	-	257,077	-
Bank charges	-	2,254	-	-	2,254	1,118	-	3,372	2,783
Computer services	33,919	9,480	1,683	1,338	46,420	5,524	535	52,479	38,579
Conferences, conventions, and meetings	8,794	8,540	792	12,974	31,100	4,816	48,206	84,122	160,588
Depreciation	141,179	31,912	-	-	173,091	34,094	-	207,185	213,511
Donated services and supplies	67,930	71,120	-	4,693	143,743	53,964	4,005	201,712	69,952
Dues and subscriptions	1,010	2,479	710	11,041	15,240	4,385	5,634	25,259	11,506
Employee benefits	366,492	99,685	51,490	14,895	532,562	176,771	24,730	734,063	677,022
Equipment rental, repairs, and maintenance	325,345	60,173	15,060	5,905	406,483	32,749	48,972	488,204	758,543
Food	12,096	1,522	-	15	13,633	1,183	11	14,827	17,022
Insurance	45,002	3,449	-	-	48,451	19,087	-	67,538	62,600
Interest	125	-	-	-	125	36,295	-	36,420	30,000
Miscellaneous	711	85	-	-	796	93	179	1,068	1,066
Office expense	7,969	1,451	434	2,157	12,011	23,024	5,876	40,911	40,525
Printing	1,843	3,927	216	10,273	16,259	1,109	20,291	37,659	38,216
Professional fees	69,824	18,533	252	13,666	102,275	82,353	31,998	216,626	297,161
Program supplies	356,678	481,768	39	34,462	872,947	3,120	17,218	893,285	853,485
Rent	58,988	104,859	5,570	3,545	172,962	11,634	20,985	205,581	153,873
Salaries	1,964,561	595,221	329,797	117,972	3,007,551	469,984	198,068	3,675,603	3,607,674
Security	8,064	2,343	-	-	10,407	407	-	10,814	13,577
Taxes and licenses	29	14,680	-	-	14,709	1,287	-	15,996	5,396
Utilities	196,670	61,625	10,585	1,766	270,646	15,782	2,745	289,173	205,761
	<u>\$ 3,926,459</u>	<u>\$ 1,597,044</u>	<u>\$ 420,737</u>	<u>\$ 236,505</u>	<u>\$ 6,180,745</u>	<u>\$ 1,000,002</u>	<u>\$ 429,490</u>	<u>\$ 7,610,237</u>	<u>\$ 7,290,968</u>

See notes to financial statements.

Marjaree Mason Center, Inc.
Statements of Cash Flows
Years Ended September 30, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 593,971	\$ 6,850
Adjustment to reconcile change in net assets to net cash from operating activities:		
Depreciation	207,185	213,511
Bad debt expense	257,077	-
Net realized and unrealized gain on investments and perpetual trusts	(36,048)	(28,668)
Dividend income, reinvested	(23,512)	-
Loss on disposal of assets	-	17,987
Net gain on disposal of grant funded assets	-	(4,030)
Change in operating assets and liabilities:		
Grants receivable	83,720	(202,066)
Pledges receivable	26,559	(87,431)
Other receivables	41,812	9,221
Prepaid expenses	66,693	(45,504)
Deposits	25,163	(4,305)
Accounts payable and accrued expenses	125,529	(14,624)
Accrued salaries and benefits	138,297	(32,752)
Deferred revenue	(88,343)	(31,637)
Net cash from operating activities	1,418,103	(203,448)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for construction in progress	(12,198)	(24,012)
Purchase of property and equipment	(38,554)	(20,559)
Proceeds from disposal of assets	-	7,030
Purchases of investments	(146,981)	(90,376)
Proceeds from sale of investments	39,529	369,393
Maturities of certificates of deposit	-	207,602
Net cash from investing activities	(158,204)	449,078
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings on lines of credit	250,000	-
Repayments of lines of credit	(250,000)	-
Net cash from financing activities	-	-
Net change in cash and cash equivalents	1,259,899	245,630
CASH AND CASH EQUIVALENTS, beginning of year	527,920	282,290
CASH AND CASH EQUIVALENTS, end of year	\$ 1,787,819	\$ 527,920
NON-CASH INVESTING AND FINANCING ACTIVITIES		
Contribution of grant funded assets	\$ 121,996	\$ 429,183
Depreciation on grant funded assets	\$ 113,949	\$ 80,350
In-kind contributions	\$ 191,681	\$ 69,952

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of activities – Marjaree Mason Center, Inc. (the Organization), a California nonprofit corporation, operates shelters for victims of domestic violence and their children, and provides counseling, education, and other related services in Fresno County and surrounding areas. The Organization receives funding for its programs and operations from a variety of governmental and community sources, including, but not limited to, the City of Fresno, the County of Fresno, U.S. Department of Housing & Urban Development, California Office of Emergency Services, and First 5 of Fresno County.

Method of accounting – The Organization uses the accrual basis method of accounting in accordance with accounting principles generally accepted in the United States of America.

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 the 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. Actual results could differ from those estimates.

Recently implemented pronouncement – On June 21, 2018, the Financial Accounting Standard Board (FASB) issued Accounting Standards Update (ASU) No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The amendments in this update clarify and improve the scope and the accounting guidance for contributions received and contributions made, and should assist entities in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of *Topic 958, Not-for-Profit Entities*, or as exchange (reciprocal) transactions subject to other guidance and determining whether a contribution is conditional. The Organization adopted ASU 2018-08 for the year ended September 30, 2020. The adoption of this update had no significant impact on the financial statements.

Revenue recognition – Contributions and unconditional grants are recognized as support and revenues when they are received or unconditionally pledged. These contributions are shown as restricted support and revenues if they are subject to time or donor restrictions. Net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions when a stipulated time restriction ends, purpose restriction is accomplished, or both; however, contributions and grants with donor restrictions are reported as support and revenues without donor restrictions if the restriction is met in the same year that the gift is received.

Conditional contributions are not recorded as support and revenues until the conditions are met. Payments classified as exchange transactions (reciprocal transfers between two entities in which goods and services of equal value is exchanged) are not recorded as other support and revenue until allowable expenditures are incurred.

Marjaree Mason Center, Inc. Notes to Financial Statements

Grant arrangements have been evaluated and determined to be nonreciprocal, meaning the granting entity has not received a direct benefit in exchange for the resources provided. Instead, revenue is recognized as a conditional contribution – when the barrier to entitlement is overcome. The barrier to entitlement is considered overcome when expenditures associated with the grant are determined to be allowable and all other significant conditions of the grant are met. The largest of these grants supports the Organization's emergency services and rehousing services programs to operate their shelters for victims of domestic violence and their children, and to provide counseling and educational services.

Paycheck protection program grant revenue – On April 29, 2020, the Organization was awarded a paycheck protection program (PPP) grant in the amount of \$795,000. In accordance with Accounting Standards Codification (ASC) 958-605 for conditional grants, the Organization accounted for this grant initially as a refundable advance until the conditions of the grant were substantially met. In addition to incurring qualifying expenses, the Organization had to meet other conditions for recognition including maintaining employee head-count levels, maintaining employee pay rates, and at least 60% of the qualifying expenses incurred are for payroll costs. For the year ended September 30, 2020, the Organization recognized \$795,000 of PPP grant revenue.

Classification of net assets – Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions as follows:

Without Donor Restriction – Net assets not subject to use or time restrictions. A portion of these net assets may be designated by the Board of Directors for specific purposes. At September 30, 2020 and 2019, there were no board designated net assets.

With Donor Restriction – Defined as that portion of net assets that consist of a restriction on the specific use or the occurrence of a certain future event. Net assets with donor restriction represent amounts collected by the Organization to be spent on specific purposes or activities. Restrictions on net assets are usually met within a year of receiving the amount restricted.

Cash and cash equivalents – For purposes of reporting the statement of cash flows, the Organization considers cash accounts, money market accounts, and certificates of deposits with original maturities of three months or less to be cash equivalents. Accounts at each financial institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At September 30, 2020 and 2019, the Organization had approximately \$1,360,000 and \$304,000 uninsured cash balances, respectively. The Organization has not experienced any losses on those deposits and believes it is not exposed to any significant credit risk.

Investments in marketable securities – Investments in marketable securities consist primarily of publicly traded mutual funds and common stock and are recorded at fair value. These investments are covered by the Securities Investor Protection Corporation up to \$500,000 (including \$250,000 of cash). Investment income and unrealized gains and losses, net of investment expenses, are reported in the statement of activities.

Grants receivable – The Organization utilizes the allowance of accounting for and reporting uncollectible or doubtful accounts. Management determines the allowance for doubtful accounts based on an analysis of specific customers, taking into consideration the age of the past due accounts and an assessment of the customer’s ability to pay. At September 30, 2019, the allowance for doubtful accounts was \$50,000. At September 30, 2020, management considered all grants receivable balances to be fully collectible and, therefore, no allowance for doubtful accounts has been recorded. Grants receivable are written off when deemed uncollectible. Recoveries of grants receivable previously written off are recorded as income when received.

The Organization grants credit to its customers, substantially all of which are government agencies (federal, state, and local) and generally requires no collateral from its customers.

Contributions and pledges receivable – Unconditional contributions, including pledges to give at estimated net realizable value, are recognized as revenue in the period received. The Organization reports conditional contributions as with donor restriction support if they are received with donor stipulations that limit the use of the donated assets. Pledges receivable at September 30, 2020 and 2019, amounted to \$223,806 and \$250,365, respectively.

Property and equipment – According to the Organization’s policy, property and equipment acquisitions over \$2,500 are capitalized. Purchased property and equipment is capitalized at cost, donated property and equipment is recorded at fair value. The Organization does not imply restrictions on the use of contributed property and equipment received without donor stipulations. Expenditures that increase the life of the related assets are capitalized. Repairs and maintenance, including planned major maintenance activities, are charged to operations when incurred. Leasehold improvements are depreciated over the lesser of the remaining lease agreement or the estimated useful life.

Depreciation is computed using the straight-line method over the following estimated useful lives:

Buildings and land improvements	5 to 40 years
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Furnishings, equipment, and vehicles	5 to 10 years
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Property and equipment purchased with federal funds is subject to various usage, maintenance, and disposition provisions of the Uniform Guidance, as well as any additional provisions established by the funding agency.

Deferred revenue and refundable advances – Deferred revenue represents special event revenues received by the Organization in advance of the event’s occurrence and grant monies billed but not yet received or earned. Refundable advances represent grant monies received by the Organization, but not yet spent or earned.

In-kind contributions – Contributions of noncash assets are utilized by the Organization in providing services and are recorded at their fair values in the period received. Contributions of noncash assets received for fundraising events (such as catering, entertainment, etc.) are not recorded in the accompanying financial statements. In addition, contributions of noncash assets to be sold at fundraising events by the Organization are recorded at the time of sale. Contributions of donated services that create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Marjaree Mason Center, Inc.

Notes to Financial Statements

A number of unpaid volunteers have made significant contributions of their time to the Organization. However, the value of these services is not reflected in the accompanying financial statements because generally accepted accounting principles do not allow for the recognition of nonspecialized services. The values of professional services provided by trained volunteers are recorded in the accompanying financial statements (see Note 13).

Advertising costs – Advertising costs, except for costs associated with direct-response advertising, are charged to operations when incurred. The costs of direct-response advertising are capitalized and amortized over the period during which future benefits are expected to be received. For the years ended September 30, 2020 and 2019, advertising costs expensed amounted to \$40 and \$3,267, respectively; no costs were capitalized.

Allocation of expenses – The costs of providing various programs and activities have been summarized on a functional basis in the statements of activities and functional expenses. During the year, such costs are accumulated into separate groupings as either “direct” or “indirect.” Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit, such as square footage, hours worked, and employee headcount. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Fundraising expenses – Costs of acquiring or applying for a contract or grant are categorized as indirect expenses and not separately stated as fundraising expenses. Fundraising expenses are expensed as incurred. Revenue from fundraising events is recognized in the period in which the event takes place.

Income taxes – The Organization is a tax-exempt corporation under section 501(c)(3) of the Internal Revenue Code and section 23701(d) of the State of California Corporate Code. The Organization is subject to taxation on any unrelated business income.

Uncertain tax positions – The Organization recognizes the effect of income tax provisions only if those positions are more likely than not of being sustained. The Organization does not believe its financial statements include any uncertain tax positions.

Summarized comparative information – The accompanying financial statements include certain prior-year comparative information in summarized form without net asset class detail or functional expense allocation detail. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization’s financial statements for the prior year ended September 30, 2019, from which the summarized information was derived.

Reclassifications – Certain reclassifications have been made to the 2019 financial statements presentation to correspond to the current year’s format. Total net assets and change in net assets are unchanged due to these reclassifications.

Subsequent events – Subsequent events are events or transactions that occur after the statements of financial position date, but before financial statements are available to be issued. The Organization recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statements of financial position, including the estimates inherent in the process of preparing the financial statements. The Organization’s financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statements of financial position, but arose after the statements of financial position date and before financial statements are available to be issued.

The Organization has evaluated subsequent events through February 23, 2021, which is the date the financial statements were available to be issued.

Marjaree Mason Center, Inc.
Notes to Financial Statements

NOTE 2 – INVESTMENTS IN MARKETABLE SECURITIES

Investments in marketable securities consisted of the following at September 30:

	<u>2020</u>	<u>2019</u>
<u>Mutual Funds</u>		
JP Morgan Equity Income CLI	\$ 115,402	\$ 112,577
Columbia Strategic Income CLZ	109,430	105,371
Columiba Disciplined Cor Instl CI	99,680	93,238
MFS Total Return Bond CLI	96,953	86,146
Columbia Select Global Equity	94,496	72,595
Brandywineglobal Global Opptys Bond CL I	91,729	81,283
MFS Conservative ALLOC CLI	89,002	46,703
AB High Income Advisor CL	85,399	83,701
Fidelity Advisor Strategic Income CLI	80,219	74,231
Janus Henderson High Yield CLI	65,925	62,247
CVCF Social Impact Pooled Investment	57,799	52,952
Fidelity Advisor New Market Income CLI	55,495	52,426
Dreyfus Intl bond CLI	54,139	49,711
Matthews Asia Dividend Investor CL	50,418	38,978
Franklin Income Advisor CL	45,070	44,905
JPMorgan Core Bond CL I	42,544	-
Templeton Global Bond Advisor CL	40,794	40,683
Invesco Balanced Risk Alloc CLY	30,707	31,491
Columbia Seligman Global Technology CLZ	24,742	19,561
Janus Henderson Global Life Sciences CLI	18,513	14,158
Columbia Strategic Income CLZ	5,767	-
Columbia Emerging Markets Bond CLZ	-	44,502
	<u>1,354,223</u>	<u>1,207,459</u>
<u>Exchange-Traded Funds</u>		
SPDR S&P 500 ETF	63,797	52,528
Ishares MSCI EAFE ETF	30,071	28,627
	<u>93,868</u>	<u>81,155</u>
Total exchange-traded funds	<u>93,868</u>	<u>81,155</u>
Total investments in marketable securities	<u>\$ 1,448,091</u>	<u>\$ 1,288,614</u>

During the years ended September 30, 2020 and 2019, dividend income reinvested into mutual funds was approximately \$24,000 and \$44,000, respectively. During the years ended September 30, 2020 and 2019, net realized and unrealized gain was \$28,513 and \$32,757, respectively. During the years ended September 30, 2020 and 2019, proceeds from the sales of investments were \$39,529 and \$369,393, respectively.

NOTE 3 – FAIR VALUE MEASUREMENTS

The Organization's investments are reported at fair value in the accompanying statements of financial position. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. The Organization had no assets or liabilities measured using Level 2 or Level 3 inputs. The three levels of the fair value of hierarchy are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted market 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; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

Level 1 fair value measurements – The fair value of mutual funds and exchange traded funds are based on quoted prices in active markets for identical assets.

Investments held at net asset value – Beneficial interests in perpetual trusts are valued at the pro-rata ownership percentage of the net asset value (NAV) of the private investment. The NAV is based on the underlying assets in the trust, which consist of common stocks and mutual funds. The use of NAV as fair value is deemed appropriate as the private investments do not have finite lives, unfunded commitments relating to these types of investments, or significant restrictions on redemptions.

Marjaree Mason Center, Inc.

Notes to Financial Statements

Accounting standards allow for the use of a practical expedient for the estimations of the fair value of investment companies or private investments for which the investment does not have a readily determinable fair value. The practical expedient used by the Organization to value these investments is the NAV. In some instances, the NAV may not equal the fair value that would be calculated under fair value accounting standards.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets measured at fair value on a recurring basis as of September 30, 2020:

	Fair Value Measurements			Investments Held at Net Asset Value (NAV)	Total
	Level 1	Level 2	Level 3		
Mutual funds:					
Blended Bond	\$ 411,833	\$ -	\$ -	\$ -	\$ 411,833
Domestic Stock	272,881	-	-	-	272,881
International Bond	201,363	-	-	-	201,363
Blended Asset	164,780	-	-	-	164,780
Blended Stock	137,752	-	-	-	137,752
Domestic Bond	115,588	-	-	-	115,588
International Stock	50,026	-	-	-	50,026
Total mutual funds	1,354,223	-	-	-	1,354,223
Exchange-traded funds	93,868	-	-	-	93,868
Beneficial interest in perpetual trusts	-	-	-	194,292	194,292
Total assets at fair value	<u>\$ 1,448,091</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 194,292</u>	<u>\$ 1,642,383</u>

The following table sets forth by level, within the fair value hierarchy, the Organization's assets measured at fair value on a recurring basis as of September 30, 2019:

	Fair Value Measurements			Investments Held at Net Asset Value (NAV)	Total
	Level 1	Level 2	Level 3		
Mutual funds:					
Blended Bond	\$ 347,007	\$ -	\$ -	\$ -	\$ 347,007
Domestic Stock	258,769	-	-	-	258,769
International Bond	227,922	-	-	-	227,922
Blended Asset	123,099	-	-	-	123,099
Blended Stock	106,314	-	-	-	106,314
Domestic Bond	105,370	-	-	-	105,370
International Stock	38,978	-	-	-	38,978
Total mutual funds	1,207,459	-	-	-	1,207,459
Exchange-traded funds	81,155	-	-	-	81,155
Beneficial interest in perpetual trusts	-	-	-	186,757	186,757
Total assets at fair value	<u>\$ 1,288,614</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 186,757</u>	<u>\$ 1,475,371</u>

The Organization's policy is to recognize transfers into and out of Levels 2 and 3 inputs as of the date of the event or change in circumstances that caused the transfer. For the years ended September 30, 2020 and 2019, there were no significant transfers into or out of Level 2 or Level 3 inputs.

Marjaree Mason Center, Inc.
Notes to Financial Statements

NOTE 4 – GRANTS RECEIVABLE

Grants receivable consisted of the following at September 30:

	2020	2019
California Office of Emergency Services	\$ 419,143	\$ 553,028
City of Fresno	219,952	197,591
County of Fresno	83,071	85,055
U.S. Department of Housing and Urban Development	69,305	286,595
Westcare	2,490	-
FEMA	-	24,771
Fresno Sheriff's Department	-	19,147
First 5 of Fresno County	-	16,261
Fresno County EOC	-	2,310
	793,961	1,184,758
Less allowance for doubtful accounts	-	(50,000)
	\$ 793,961	\$ 1,134,758

NOTE 5 – PLEDGES RECEIVABLE

Pledges receivable consisted of the following at September 30:

	2020	2019
Pledges receivable in less than one year	\$ 148,806	\$ 150,365
Pledges receivable in one to five years	75,000	100,000
	\$ 223,806	\$ 250,365

Marjaree Mason Center, Inc.
Notes to Financial Statements

NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at September 30:

	<u>2020</u>	<u>2019</u>
Building and land improvements	\$ 4,988,181	\$ 4,877,760
Leasehold improvements	118,054	118,054
Equipment	167,525	276,750
Buildings	660,387	660,387
Furniture and fixtures	70,948	70,948
Vehicles	145,311	116,954
Land	<u>29,064</u>	<u>29,064</u>
	6,179,470	6,149,917
Less accumulated depreciation	<u>(3,273,944)</u>	<u>(3,072,557)</u>
	<u>\$ 2,905,526</u>	<u>\$ 3,077,360</u>
Construction in progress	\$ 50,688	\$ 27,240

The Organization incurred depreciation expense of \$207,185 and \$213,511 for the years ended September 30, 2020 and 2019, respectively.

NOTE 7 – BENEFICIAL INTEREST IN PERPETUAL TRUSTS

Beneficial interest in perpetual trusts consisted of the Organization's percentage interest in two separate perpetual trusts accounted for as split-interest agreements. The Organization values its interest in these trusts based on the fair value of each trust's underlying assets. Balances consisted of the following at September 30:

	<u>2020</u>	<u>2019</u>
Burks' Trust (5% interest)	\$ 183,808	\$ 176,595
Nine Trust (5% interest)	<u>10,484</u>	<u>10,162</u>
	<u>\$ 194,292</u>	<u>\$ 186,757</u>

During the year ended September 30, 2020, the Organization's portion of unrealized gain was \$7,534. During the year ended September 30, 2019, the Organization's portion of unrealized loss was \$(4,253).

NOTE 8 – LINES OF CREDIT

The Organization has two \$250,000 lines of credit with Central Valley Community Bank. The unsecured credit lines provide for monthly interest payments at prime plus 0.50%, with a minimum interest rate of 5.50%. At September 30, 2020 and 2019, the effective interest rates were 5.75% and 6.75%, respectively. The lines mature on April 2, 2021, and August 23, 2021. At September 30, 2020 and 2019, there was no outstanding balance on the lines of credit.

NOTE 9 – LONG-TERM DEBT

Long-term debt consisted of the following at September 30:

	2020	2019
<p>State of California Emergency Housing and Assistance Program (EHAP) forgivable loan for renovation of an emergency shelter in Fresno, secured by a deed of trust against the property. The note bears interest at 3%; accrued interest totaled \$195,000 and \$165,000 at September 30, 2020 and 2019, respectively. Repayment is deferred as long as the property is used as an emergency shelter or transitional housing. The loan's seven-year term expires September 2021. Upon expiration, the loan and any accrued interest shall be forgiven. If a transfer or conveyance of the property occurs before the end of the term that results in the development no longer being used as an emergency shelter or transitional housing, EHAP shall terminate the loan and require immediate repayment of the loan, including all outstanding principal and accrued interest.</p>	\$ 1,000,000	\$ 1,000,000
<p>Less current portion</p>	(1,000,000)	-
	\$ -	\$ 1,000,000

NOTE 10 – OBLIGATIONS UNDER OPERATING LEASES

The Organization leases office equipment and property, which require certain minimum annual rental payments. The leases vary in terms and expire between March 2021 and March 2066. For the year ended September 30, 2020, total office equipment and property lease expenses were \$65,003 and \$178,462, respectively. For the year ended September 30, 2019, total office equipment and property lease expenses were \$66,390 and \$133,789, respectively.

Marjaree Mason Center, Inc.
Notes to Financial Statements

The future annual minimum lease payments under long-term contractual obligations at September 30, 2020, are as follows:

<u>Year ending September 30,</u>		
2021	\$	130,442
2022		82,336
2023		13,486
2024		885
2025		885
Thereafter		<u>4,296</u>
	<u>\$</u>	<u>232,330</u>

NOTE 11 – NET ASSETS WITH DONOR RESTRICTION

Amounts received from various donors for specific purposes are net assets with donor restriction that have been spent for their specified purposes. Net assets with donor restriction consisted of the following at September 30:

	<u>2020</u>	<u>2019</u>
Shelter, food, and supplies for clients and children	\$ 626,091	\$ 346,179
Beneficial trusts	194,292	186,757
Clovis shelter	142,265	136,430
Education and outreach	40,141	22,856
Programs and counseling	30,578	29,942
Auto and facilities maintenance	18,186	18,437
Reedley facility	<u>877</u>	<u>618</u>
	<u>\$ 1,052,430</u>	<u>\$ 741,219</u>

Net assets released from restriction during the years ended September 30, 2020 and 2019, totaled \$507,894 and \$445,493, respectively.

NOTE 12 – RETIREMENT PLAN

The Organization established a 401(k) Retirement Plan covering all active, full-time employees aged 21 or older. No matching contributions were made during the years ended September 30, 2020 and 2019.

NOTE 13 – IN-KIND DONATIONS

In-kind donations consisted of the following for the years ended September 30:

	2020	2019
Trained volunteers	\$ 61,015	\$ 30,002
Fresno, Clovis, and Reedley shelters	23,400	12,600
MJR Creative Group	76,266	-
Meathead Movers	31,000	27,350
	\$ 191,681	\$ 69,952

NOTE 14 – CONTINGENCIES AND CONCENTRATIONS

Federal, state, and local grants – Amounts received from grant agencies are subject to audit and adjustment by grantor agencies, principally the state and federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the Organization. There are no pending audits or proposed adjustments currently.

Economic dependency – The Organization receives a majority of its funding through various programs and contracts with federal, state, local, and private agencies. Grants and contracts for the years ended September 30, 2020 and 2019, comprise approximately 56% and 71%, respectively, of total revenue without donor restriction.

The following is a summary of total grants and contracts received by granting and contracting agency for the year ended September 30, 2020:

Granting and Contracting Agency	Amount	Percentage
California Office of Emergency Services	\$ 1,368,384	33%
Department of Housing and Urban Development	1,092,870	26%
County of Fresno	718,413	17%
City of Fresno	566,894	14%
Other contracts	265,973	6%
First 5 of Fresno County	112,604	3%
Westcare	9,649	1%
	\$ 4,134,787	100%

Marjaree Mason Center, Inc.
Notes to Financial Statements

The following is a summary of total grants and contracts received by granting and contracting agency for the year ended September 30, 2019:

Granting and Contracting Agency	Amount	Percentage
California Office of Emergency Services	\$ 1,655,717	34%
County of Fresno	914,789	19%
Department of Housing and Urban Development	891,788	19%
City of Fresno	887,924	18%
First 5 of Fresno County	202,102	4%
Other contracts	161,810	3%
Fresno Unified Schedule District	37,000	1%
Federal Emergency Management Agency	22,615	1%
Fresno County Economic Opportunities Commission	16,076	1%
Clovis Unified School District	15,930	0%
	\$ 4,805,751	100%

Impact from coronavirus outbreak – In early 2020, the World Health Organization declared the novel coronavirus outbreak a public health emergency. The Organization's operations are in California, which has issued shelter-in-place restrictions and restricted gatherings of people due to the coronavirus outbreak. Given the dynamic nature of these circumstances and business disruption, the Organization anticipates a significant short-term impact. The Organization will continue to monitor the situation closely, but given the uncertainty of the situation, an estimate of the impact to the financial statements cannot be made at this time.

NOTE 15 – LIQUIDITY AND FUNDS AVAILABLE

Financial assets available to meet cash needs for general expenditures within one year as of September 30, 2020, are as follows:

Financial assets	
Cash and cash equivalents	\$ 1,787,819
Investments in marketable securities	1,448,091
Grants receivable, net	793,961
Pledges receivable	223,806
Financial assets at September 30, 2020	4,253,677
Less those unavailable for general expenditure within one year, due to:	
Noncurrent portion of pledges receivable	(75,000)
Financial assets available to meet cash needs for general expenditures within one year	\$ 4,178,677

Marjaree Mason Center, Inc.
Notes to Financial Statements

The Organization's spending policy is to structure its financial assets to be available for operations, capital assets, and opportunities to enhance the Organization's mission. The Organization has certain donor-restricted net assets that are available for general expenditures within one year of September 30, 2020, because the restrictions on the net assets are expected to be met by conducting the normal activities of the programs in the coming year. In the event of an unanticipated liquidity need, the Organization also could draw upon the \$500,000 of available lines of credit, as further discussed in Note 8.

Supplementary Information

Marjaree Mason Center, Inc.
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2020

Pass-through Grantor/Federal Grantor/Program Title	Federal Assistance Listing Number	Award Number	Total Costs Expended
Community Development Block Grants - Entitlement Grants Cluster			
U.S. Department of Housing and Urban Development			
Passed through the County of Fresno			
Community Development Block Grant	14.218	A-14-697	\$ 45,419
Community Development Block Grant	14.218	N/A	18,060
Passed through the City of Fresno			
Community Development Block Grant	14.218	N/A	<u>75,313</u>
Total Community Development Block Grants - Entitlement Grants Cluster			<u>138,792</u>
Continuum of Care Program			
U.S. Department of Housing and Urban Development			
Direct award			
HUD Clovis- Supportive Housing	14.267	CA0974L9T141603	155,856
HUD Clovis- Supportive Housing	14.267	CA0974L9T141906	64,715
HUD Welcome Home	14.267	CA1185L9T141603	12,986
HUD Welcome Home	14.267	CA1185L9T141906	105,099
HUD Welcome Home 2a	14.267	CA1411L9T141702	6,566
HUD Welcome Home 2	14.267	CA1410L9T141702	60,586
HUD Welcome Home 2	14.267	CA1410L9T141803	90,124
HUD Welcome Home 3	14.267	CA1480L9T141702	43,669
HUD Welcome Home 3	14.267	CA1480L9T141904	108,089
HUD Coordinated Entry	14.267	CA1762D9T141800	300,474
HUD Coordinated Entry	14.267	CA1762L9T141901	15,919
HUD Safe and Sound	14.267	CA1764D9T141800	120,426
HUD Safe and Sound	14.267	CA1764D9T141800	<u>13,230</u>
Total Continuum of Care Program			<u>1,097,739</u>
Emergency Solutions Grant			
U.S. Department of Housing and Urban Development			
Passed through the City of Fresno			
Emergency Solutions Grant	14.231	N/A	248,638
Emergency Solutions Grant - City Cares	14.231	N/A	<u>59,413</u>
Total Emergency Solutions Grant			<u>308,051</u>
Total U.S. Department of Housing and Urban Development			<u>1,544,582</u>
Crime Victim Assistance			
U.S. Department of Justice			
Passed through the California Office of Emergency Services			
Domestic Violence Assistance Program	16.575	DV19331257	326,213
Unserved/Underserved Victim Advocacy	16.575	XV15011257	40,131
Unserved/Underserved Victim Advocacy	16.575	UV19021257	129,053
Housing First	16.575	XD16011257	89,440
Housing First	16.575	XD19021257	217,377
Transitional Housing - FSP	16.575	XH16011257	52,463
Transitional Housing - FSP	16.575	XH19021257	129,231
Increased Access	16.575	KU19011257	<u>45,955</u>
Total Crime Victim Assistance			1,029,863
Violence Against Women Formula Grants			
U.S. Department of Justice			
Passed through the California Office of Emergency Services			
Teen Dating Violence	16.588	TV19041257	<u>96,466</u>
Total U.S. Department of Justice			<u>1,126,329</u>
Total Expenditures of Federal Awards			<u>\$ 2,670,911</u>

Marjaree Mason Center, Inc.
Notes to the Schedule of Expenditures of Federal Awards
Year Ended September 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation – The accompanying schedule of expenditures of federal awards (the Schedule), includes the federal grant activity of Marjaree Mason Center, Inc. (the Organization), under programs of the federal government for the year ended September 30, 2020. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

Relationship to financial reports – Information included in the accompanying Schedule is in substantial agreement with the information reported in the related financial reports for major programs.

Program costs – 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.

Subrecipients – The Organization does not pass through funds to subrecipients.

NOTE 2 – INDIRECT COSTS

The Organization has elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance as described in 2 CFR 200.414.

Single Audit Reports

Report of Independent Auditors 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*

To the Board of Directors
Marjaree Mason Center, Inc.

We have audited, 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, the financial statements of Marjaree Mason Center, Inc., which comprise the statement of financial position as of September 30, 2020, the related statements of activities, changes in net assets, 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 February 23, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Marjaree Mason Center, Inc.'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 Marjaree Mason Center, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Marjaree Mason Center, Inc.'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 combination of deficiencies, in internal control, such that there is a reasonable probability 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Marjaree Mason Center, Inc.'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 financial statements. 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "M. Allen" followed by a stylized flourish.

Fresno, California
February 23, 2021

Report of Independent Auditors on Compliance for the Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Directors
Marjaree Mason Center, Inc.

Report on Compliance for the Major Federal Program

We have audited Marjaree Mason Center, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Marjaree Mason Center, Inc.'s major federal program for the year ended September 30, 2020. Marjaree Mason Center, Inc.'s major federal program is identified in the summary of auditor's 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.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Marjaree Mason Center, Inc.'s 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 a major federal program occurred. An audit includes examining, on a test basis, evidence about Marjaree Mason Center, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of Marjaree Mason Center, Inc.'s compliance.

Opinion on the Major Federal Program

In our opinion, Marjaree Mason Center, Inc., 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 September 30, 2020.

Report on Internal Control Over Compliance

Management of Marjaree Mason Center, Inc., 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 Marjaree Mason Center, Inc.'s 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 Marjaree Mason Center, Inc.'s internal control over compliance.

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



Fresno, California
February 23, 2021

Marjaree Mason Center, Inc.
Schedule of Findings and Questioned Costs
Year Ended September 30, 2020

Section I - Summary of Auditor's Results

FINANCIAL STATEMENTS

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes X No

Significant deficiency(ies) identified? Yes X None reported

Noncompliance material to financial statements noted? Yes X No

FEDERAL AWARDS

Internal control over major federal programs:

Material weakness(es) identified? Yes X No

Significant deficiency(ies) identified? Yes X None reported

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)? Yes X No

IDENTIFICATION OF THE MAJOR FEDERAL PROGRAM AND TYPE OF AUDITOR'S REPORT ISSUED ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM

<i>CFDA Number</i>	<i>Name of Federal Program/Cluster</i>	<i>Type of Auditor's Report Issued on Compliance for the Major Federal Program</i>
14.267	Continuum of Care Program	Unmodified

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? X Yes No

Section II - Financial Statement Findings

None reported

Section III - Federal Award Findings and Questioned Costs

None reported

Other Information

Marjaree Mason Center, Inc.
Combining Schedule of Revenue, Support, and Expenses - Unaudited
Year Ended September 30, 2020
(with summarized financial information for the Year Ended September 30, 2019)

	County of Fresno	Housing and Urban Development	California Office of Emergency Services	Marriage License Fees	County Family Stabilization	City of Fresno	First 5 Fresno County	Paycheck Protection Program	Contributions, Program Fees, and Other	2020	2019
Revenues, Gains, and Other Support											
Grants and contracts	\$ 113,305	\$ 1,097,739	\$ 1,368,434	\$ 124,448	\$ 550,520	\$ 566,894	\$ 112,604	\$ -	\$ 200,843	\$ 4,134,787	\$ 4,805,751
Contributions	-	-	-	-	-	-	-	-	2,254,006	2,254,006	1,436,427
In-kind donations	-	-	-	-	-	-	-	-	191,681	191,681	69,952
Special events	-	-	-	-	-	-	-	-	264,361	264,361	512,819
Program fees	-	-	-	-	-	-	-	-	258,062	258,062	381,785
Other income	-	-	-	-	-	-	-	-	11,636	11,636	80,403
Legacies and bequests	-	-	-	-	-	-	-	-	212,702	212,702	-
Paycheck protection program (PPP) grant	-	-	-	-	-	-	-	795,000	-	795,000	-
Loss on disposal of assets	-	-	-	-	-	-	-	-	-	-	(17,987)
Unrealized gain in fair value of perpetual trusts	-	-	-	-	-	-	-	-	7,535	7,535	(4,253)
Interest and dividend income	-	-	-	-	-	-	-	-	45,925	45,925	164
Net realized and unrealized gain in fair value of investments	-	-	-	-	-	-	-	-	28,513	28,513	32,757
Total revenues, gains, and other support	113,305	1,097,739	1,368,434	124,448	550,520	566,894	112,604	795,000	3,475,264	8,204,208	7,297,818
Expenses											
Accounting and legal	-	-	-	20,200	-	-	-	-	31,023	51,223	28,861
Advertising	-	-	-	-	-	-	-	-	40	40	3,267
Bad debt expense	-	-	118,883	-	-	18,247	-	-	119,947	257,077	-
Bank charges	-	-	-	25	-	-	-	-	3,347	3,372	2,783
Computer services	-	6,755	5,415	23,227	2,773	-	-	-	14,309	52,479	38,579
Conferences, conventions, and meetings	1,606	5,843	6,169	477	2,150	1,998	-	-	65,879	84,122	160,588
Depreciation	-	-	-	-	-	-	-	-	207,185	207,185	213,511
Donated services and supplies	-	-	-	-	-	-	-	-	201,712	201,712	69,952
Dues and subscriptions	(34)	18	100	130	-	-	-	-	25,045	25,259	11,506
Employee benefits	15,063	90,919	122,837	5,130	72,975	36,876	13,425	68,772	308,066	734,063	677,022
Equipment rental, repairs, and maintenance	1,254	64,113	73,262	32,253	18,982	113,866	-	1,848	182,626	488,204	758,543
Food	-	694	746	1,584	397	-	-	-	11,406	14,827	17,022
Insurance	-	2,238	1,036	46,849	-	473	-	-	16,942	67,538	62,600
Interest	-	-	-	-	-	-	-	-	36,420	36,420	30,000
Miscellaneous	-	-	-	-	-	-	-	-	1,068	1,068	1,066
Office expense	-	1,332	1,959	2,164	1,091	-	-	-	34,365	40,911	40,525
Printing	805	432	938	-	86	129	-	-	35,269	37,659	38,216
Professional fees	-	15,966	22,014	3,922	213	-	34,845	-	139,666	216,626	297,161
Program supplies	500	332,304	242,041	6,791	635	128,305	-	-	182,709	893,285	853,485
Rent	5,500	12,827	37,905	-	47,489	-	-	14,863	86,997	205,581	153,873
Salaries	88,476	533,404	800,871	38,602	378,323	226,018	64,131	657,462	888,316	3,675,603	3,607,674
Security	-	1,043	1,976	-	358	2,938	-	-	4,499	10,814	13,577
Taxes and licenses	-	-	-	-	-	-	-	-	15,996	15,996	5,396
Utilities	135	29,851	51,065	24,010	25,048	56,408	207	52,055	50,394	289,173	205,761
Total expenses	113,305	1,097,739	1,487,217	205,364	550,520	585,258	112,608	795,000	2,663,226	7,610,237	7,290,968
Change in net assets	\$ -	\$ -	\$ (118,783)	\$ (80,916)	\$ -	\$ (18,364)	\$ (4)	\$ -	\$ 812,038	\$ 593,971	\$ 6,850

