



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

**Marjaree Mason Center, Inc.**

*September 30, 2023  
(with Summarized Comparative Information for the  
Year Ended September 30, 2022)*

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## **Report of Independent Auditors**

The Board of Directors  
Marjaree Mason Center, Inc.

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of Marjaree Mason Center, Inc. (the “Organization”), which comprise the statement of financial position as of September 30, 2023, 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.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Marjaree Mason Center, Inc. as of September 30, 2023, 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.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization’s ability to continue as a going concern for one year after the date the financial statements are available to be issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR) 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. 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 GAAS. 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 the Organization's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 16, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

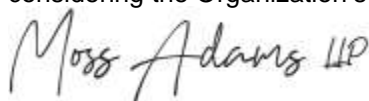
### ***Other Information***

Management is responsible for the other information included in the report. The other information comprises the combining schedule of revenue, support and expenses but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2024 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization'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 the Organization's internal control over financial reporting and compliance.



Fresno, California  
January 30, 2024

## **Financial Statements**

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**Marjaree Mason Center, Inc.**  
**Statements of Financial Position**  
**September 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 1,841,976	\$ 2,579,744
Investments in marketable securities	3,099,016	2,882,821
Grants receivable	751,468	640,690
Other receivables	290	4,763
Pledges receivable, current portion	2,363,856	159,952
Prepaid expenses	169,872	149,969
Deposits	35,641	125,025
	<u>8,262,119</u>	<u>6,542,964</u>
PROPERTY AND EQUIPMENT, net	9,298,323	2,582,410
CONSTRUCTION IN PROGRESS	252,671	-
PLEDGES RECEIVABLE, net of current portion	2,462,000	25,000
BENEFICIAL INTEREST IN PERPETUAL TRUSTS, net	220,975	184,500
	<u>20,496,088</u>	<u>9,334,874</u>
Total assets	<u>\$ 20,496,088</u>	<u>\$ 9,334,874</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 431,342	\$ 247,737
Accrued salaries and benefits	327,189	316,091
Deferred revenue	188,313	220,600
Refundable advances	92,647	-
Note payable	2,000,000	-
	<u>3,039,491</u>	<u>784,428</u>
Total liabilities	<u>3,039,491</u>	<u>784,428</u>
<b>NET ASSETS</b>		
Without donor restriction	11,324,480	6,430,976
With donor restriction	6,132,117	2,119,470
	<u>17,456,597</u>	<u>8,550,446</u>
Total net assets	<u>17,456,597</u>	<u>8,550,446</u>
Total liabilities and net assets	<u>\$ 20,496,088</u>	<u>\$ 9,334,874</u>

**Marjaree Mason Center, Inc.**  
**Statement of Activities and Changes in Net Assets**  
**Year Ended September 30, 2023**  
**(with Summarized Comparative Information for Year Ended September 30, 2022)**

	Without Donor Restriction	With Donor Restriction	Total	
			2023	2022
REVENUES, GAINS, AND OTHER SUPPORT				
Grants and contracts	\$ 5,513,020	\$ -	\$ 5,513,020	\$ 5,413,940
Contributions	802,697	8,176,948	8,979,645	2,945,544
In-kind donations	2,396,260	-	2,396,260	101,521
Special events	571,542	-	571,542	521,886
Program fees	219,428	-	219,428	145,948
Other income	12,922	-	12,922	14,700
Legacies and bequests	333,610	-	333,610	100,000
Net realized and unrealized (loss) gain in fair value of perpetual trusts	-	36,475	36,475	(85,438)
Interest and dividend income, net	87,203	-	87,203	53,739
Net realized and unrealized (loss) gain in fair value of investments	132,669	-	132,669	(555,060)
Total revenues, gains, and other support	10,069,351	8,213,423	18,282,774	8,656,780
NET ASSETS RELEASED FROM RESTRICTIONS				
Restrictions satisfied by payment of related expenses	4,200,776	(4,200,776)	-	-
Total revenues, gains, and other support after net assets released from restrictions	14,270,127	4,012,647	18,282,774	8,656,780
EXPENSES				
Program services	7,355,181	-	7,355,181	6,592,236
Supporting services	1,077,174	-	1,077,174	1,222,750
Fundraising	819,657	-	819,657	768,309
Total expenses	9,252,012	-	9,252,012	8,583,295
CHANGES IN NET ASSETS	5,018,115	4,012,647	9,030,762	73,485
NET ASSETS, beginning of year	6,430,976	2,119,470	8,550,446	8,510,114
GRANT FUNDED ASSETS				
Contributions	-	-	-	85,086
Depreciation	(124,611)	-	(124,611)	(118,239)
Changes in grant funded assets	(124,611)	-	(124,611)	(33,153)
NET ASSETS, end of year	\$ 11,324,480	\$ 6,132,117	\$ 17,456,597	\$ 8,550,446



**Marjaree Mason Center, Inc.**  
**Statement of Functional Expenses**  
**Year Ended September 30, 2023**

**(with Summarized Comparative Information for Year Ended September 30, 2022)**

	Program Services							Total	
	Emergency Services	Rehousing Services	Advocacy and	Other	Total	Supporting Services	Fundraising		
			Legal Assistance	Programs	Program Services			2023	2022
Accounting and legal	\$ 50,000	\$ 5,500	\$ -	\$ 3,000	\$ 58,500	\$ 21,568	\$ 1,813	\$ 81,881	\$ 76,229
Advertising	780	-	81,945	61,854	144,579	1,639	28,330	174,548	17,141
Bad debt expense	-	-	-	-	-	15,000	-	15,000	2,500
Bank charges	-	-	-	-	-	804	-	804	88
Computer services	17,715	3,761	1,600	2,196	25,272	4,833	1,338	31,443	38,463
Conferences, conventions, and meetings	38,492	7,211	3,202	21,597	70,502	11,077	89,174	170,753	117,406
Depreciation	136,838	25,826	-	-	162,664	15,592	-	178,256	183,057
Donated services and supplies	28,024	37,743	-	880	66,647	13,584	19,125	99,356	108,062
Dues and subscriptions	17,595	1,610	4,995	119	24,319	6,718	8,672	39,709	27,392
Employee benefits	498,191	97,192	36,281	59,885	691,549	147,194	39,101	877,844	838,329
Equipment rental, repairs, and maintenance	274,472	94,341	11,018	19,831	399,662	38,016	44,388	482,066	526,996
Food	69,457	395	-	140	69,992	251	1,148	71,391	121,674
Insurance	56,406	6,349	1,589	2,261	66,605	36,053	1,038	103,696	73,587
Interest	-	-	-	-	-	14	-	14	316
Miscellaneous	190	-	-	675	865	1,608	229	2,702	4,136
Office expense	14,430	3,667	650	919	19,666	29,972	5,395	55,033	59,038
Printing	7,186	7,159	270	8,385	23,000	2,410	35,694	61,104	61,296
Professional fees	255,844	7,816	25,000	26,701	315,361	84,698	136,460	536,519	395,607
Program supplies	373,536	507,362	542	48,168	929,608	13,349	44,293	987,250	1,425,797
Rent	119,240	16,021	1,122	22,997	159,380	36	82,215	241,631	177,434
Salaries	2,551,065	532,263	259,257	315,162	3,657,747	608,953	272,763	4,539,463	3,941,852
Security	145,580	1,630	-	27	147,237	279	3,759	151,275	106,694
Taxes and licenses	11,163	-	-	-	11,163	(485)	-	10,678	23,963
Utilities	259,356	39,903	6,735	4,869	310,863	24,011	4,722	339,596	256,238
	<u>\$ 4,925,560</u>	<u>\$ 1,395,749</u>	<u>\$ 434,206</u>	<u>\$ 599,666</u>	<u>\$ 7,355,181</u>	<u>\$ 1,077,174</u>	<u>\$ 819,657</u>	<u>\$ 9,252,012</u>	<u>\$ 8,583,295</u>

**Marjaree Mason Center, Inc.**  
**Statements of Cash Flows**  
**Years Ended September 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ 6,730,762	\$ 73,485
Adjustment to reconcile changes in net assets to net cash from operating activities:		
Depreciation	178,256	183,057
Bad debt expense	15,000	2,500
Net realized and unrealized (gain) loss on investments and perpetual trusts	(169,144)	640,498
Dividend income, reinvested	(7,637)	(12,850)
Changes in operating assets and liabilities:		
Grants receivable	(125,778)	379,788
Pledges receivable	(4,640,904)	(11,485)
Other receivables	4,473	(4,763)
Prepaid expenses	(19,903)	(52,166)
Deposits	89,384	(96,227)
Accounts payable and accrued expenses	183,605	83,379
Accrued salaries and benefits	11,098	61,694
Deferred revenue	(32,287)	60,250
Refundable advances	92,647	(327,888)
	<u>2,309,572</u>	<u>979,272</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for construction in progress	(252,671)	-
Purchase of property and equipment	(4,718,780)	(42,639)
Proceeds from distribution of beneficial interest in perpetual trust	-	551,781
Purchases of investments	(1,829,036)	(2,350,847)
Proceeds from sale of investments	1,753,147	585,829
	<u>(5,047,340)</u>	<u>(1,255,876)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Borrowings on note payable	<u>2,000,000</u>	<u>-</u>
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>	<u>(737,768)</u>	<u>(276,604)</u>
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<u>2,579,744</u>	<u>2,856,348</u>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<u>\$ 1,841,976</u>	<u>\$ 2,579,744</u>
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES</b>		
In-kind contributions	\$ 2,396,260	\$ 101,521

**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, and the California Office of Emergency Services.

**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 (“U.S. GAAP”).

**Use of estimates** – The preparation of financial statements in conformity with U.S. GAAP 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.

**Accounting pronouncements recently adopted** – Effective October 1, 2022, the Organization changed its method of accounting for leases as a result of the Organization’s adoption of the Financial Accounting Standards Boards Accounting Standards Codification (“ASC”) 842, *Leases* (“ASC 842”), under the modified retrospective approach, applying the standard to the beginning of the period of adoption. Results for reporting periods beginning on or after October 1, 2022 are presented under ASC 842, while prior period amounts are not adjusted and continue to be reported in accordance with the historic accounting under ASC 840. The cumulative-effect adjustment recognized within equity was zero. The Company elected to adopt the following practical expedients in connection with its adoption of ASC 842:

- Package of practical expedients, which must be elected as a package, to leases that commenced before October 1, 2022, which permit an entity to (1) not reassess whether any expired or existing contracts are or contain leases (2) not reassess the lease classification and (3) reassess initial direct costs.
  
- Practical expedient to use hindsight in determining the lease term.

## Marjaree Mason Center, Inc.

### Notes to Financial Statements

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**Leases** – The Organization determines if an arrangement is a lease, or contains a lease, at the inception of the arrangement and reassesses that conclusion, if the arrangement is modified. When the Organization determines the arrangement is a lease, or contains a lease, at lease inception, a determination is made as to whether the lease is an operating lease or a finance lease. Operating leases result in the Organization recording a right-of-use (ROU) asset and lease liability on its balance sheet. ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent its obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are initially recognized based on the present value of lease payments over the lease term. In determining the present value of lease payments, the Organization uses the implicit interest rate in the lease, if readily determinable, or when the implicit interest rate is not readily determinable, the Organization has made an accounting policy election to use of a risk-free discount rate, determined using a period comparable with that of the lease term. Rent expense from operating leases is recognized on a straight-line basis over the term of the leases. The Organization has elected the short-term lease recognition exemption for all applicable classes of underlying assets. Leases with an internal term of 12 months or less, that do not include an option to purchase the underlying asset that the Organization is reasonably certain to exercise, are not recorded on the statement of financial position. The Organization elected to treat lease and nonlease components as a single lease component.

**Revenue recognition** – Contributions, legacies and bequests, 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 and changes in net assets 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.

Special events revenue is recognized at a point in time when the event takes place. Amounts collected in advance of the event are deferred until the event is conducted.

Program fees revenue is recognized at a point in time when the service takes place and consists of amounts collected for education and training program services provided to program participants.

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.

**Conditional grant revenue recognition** – In accordance with Accounting Standards Codification (“ASC”) 958-605, *Not-for-Profit Entities—Revenue Recognition* (“ASC 958-605”), for conditional grants, the Organization accounts for these grants initially as refundable advances until the conditions of the grant are substantially met.

**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, 2023 and 2022, 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 statements 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, 2023 and 2022, the Organization had approximately \$1,591,976 and \$1,943,000 of 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 and changes in net assets.

**Grants receivable** – The Organization utilizes the allowance method 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, 2023 and 2022, 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. No discount to net the net present value of pledges was considered necessary by the Organization as it was not material to the financial statements as a whole. Pledges receivable at September 30, 2023 and 2022, amounted to \$4,825,856 and \$184,952, respectively.

**Marjaree Mason Center, Inc.**  
**Notes to Financial Statements**

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**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	5–40 years
Furnishings, equipment, and vehicles	5–10 years

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** – 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.

**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.

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 U.S. GAAP does 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, 2023 and 2022, advertising costs expensed amounted to \$174,548 and \$17,141, 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 changes in net assets 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.

**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 U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization’s financial statements for the prior year ended September 30, 2022, from which the summarized information was derived.

**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:

	2023	2022
Mutual funds:		
CVCF Social Impact Pooled Investment	\$ 238,866	\$ 208,165
JP Morgan Equity Income CLI	177,241	165,952
Fidelity Advisor Strategic Income CLI	155,040	104,686
MFS Total Return Bond CLI	149,365	117,483
Federated Hermes Strategic Value	146,487	52,439
Columbia Strategic Income CLZ	125,346	114,580
PGIM Floating Rate Income CL Z	123,158	120,284
AB High Income Advisor CL	111,201	107,985
Western Asset Core Plus Bond CLI	105,359	73,814
PGIM High Yield CLZ	100,727	-
Columbia Disciplined Cor Instl CI	99,846	124,546
Mainstay CBRE Global Infra CLI	97,990	98,696
Brandywineglobal Global Opptys Bond CL I	89,663	91,280
Columbia Select Global Equity	89,119	74,734
Transamerica Intl Equity CLI	73,617	39,858
BNY Mellon International Bond CLI	60,864	58,639
Columbia Seligman Global Technology CLZ	56,843	42,715
Blackstone Alt Multi Strategy CLI	54,989	75,766
BNY Mellon Global Real Return CLI	44,573	75,784
Delaware Small Cap Core CLI	43,002	40,210
AB Sustainable Global Thematic Advisor CL	41,411	36,055
Janus Henderson Global Real Estate CLI	30,869	52,335
Columbia Ultra Short Term Bond CLA	-	248,700
Pioneer Multi Asset Ultrashort Income CLA	-	247,538
Fidelity Advisor Short Term Bond CLA	-	237,168
Janus Henderson High Yield CLI	-	85,366
Invesco Balanced Risk Alloc CLY	-	40,230
Janus Henderson Global Life Sciences CLI	-	27,385
Columbia Strategic Income CLZ	-	10,951
Total mutual funds	<u>2,215,576</u>	<u>2,773,344</u>
Certificates of Deposit:		
Zions Bancorp NA Salt Lake City UT CD	250,000	-
Amalgamated Bank New York NY CD	249,000	-
Bank of America NA Charlotte NC CD	250,000	-
Total certificate of deposits	<u>749,000</u>	<u>-</u>
Exchange-traded funds:		
SPDR S&P 500 ETF	<u>124,175</u>	<u>102,133</u>
Money market fund:		
Ameriprise Insured Money Market	<u>10,265</u>	<u>7,344</u>
Total investments in marketable securities	<u>\$ 3,099,016</u>	<u>\$ 2,882,821</u>



During the years ended September 30, 2023 and 2022, dividend income reinvested into mutual funds was approximately \$7,600 and \$12,850, respectively. During the years ended September 30, 2023 and 2022, net realized and unrealized gain/(loss) was \$132,669 and \$(550,060), respectively. During the years ended September 30, 2023 and 2022, proceeds from the sales of investments were \$1,753,147 and \$585,829, 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 give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). 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 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.

## Marjaree Mason Center, Inc.

### Notes to Financial Statements

**Level 2 fair value measurements** – The fair value of certificate of deposits are based on pricing models maximizing the use of observable inputs for similar securities, which includes basing value on yields current available on comparable securities.

**Level 3 fair value measurements** – The fair value of interest in perpetual trusts are based on unobservable models.

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, 2023:

	Fair Value Measurements			Total
	Level 1	Level 2	Level 3	
Mutual funds:				
Blended Bond	\$ 198,045	\$ -	\$ -	\$ 198,045
Domestic Stock	601,795	-	-	601,795
International Bond	352,696	-	-	352,696
Blended Asset	443,482	-	-	443,482
Blended Stock	372,062	-	-	372,062
Domestic Bond	247,496	-	-	247,496
Total mutual funds	2,215,576	-	-	2,215,576
Exchange-traded funds	124,175	-	-	124,175
Money market funds	10,265	-	-	10,265
Certificates of deposit	-	749,000	-	749,000
Beneficial interest in perpetual trusts	-	-	220,975	220,975
Total assets at fair value	<u>\$ 2,350,016</u>	<u>\$ 749,000</u>	<u>\$ 220,975</u>	<u>\$ 3,319,991</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, 2022:

	Fair Value Measurements			Total
	Level 1	Level 2	Level 3	
Mutual funds:				
Blended Bond	\$ 1,379,081	\$ -	\$ -	\$ 1,379,081
Domestic Stock	538,873	-	-	538,873
International Bond	225,684	-	-	225,684
Blended Asset	116,013	-	-	116,013
Blended Stock	388,162	-	-	388,162
Domestic Bond	125,531	-	-	125,531
Total mutual funds	2,773,344	-	-	2,773,344
Exchange-traded funds	102,133	-	-	102,133
Money market funds	7,344	-	-	7,344
Beneficial interest in perpetual trusts	-	-	184,500	184,500
Total assets at fair value	<u>\$ 2,882,821</u>	<u>\$ -</u>	<u>\$ 184,500</u>	<u>\$ 3,067,321</u>

**Marjaree Mason Center, Inc.**  
**Notes to Financial Statements**

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. The following table summarizes certain changes in the fair value of the Organization's Level 3 investments for the years ended September 30:

	2023	2022
Beneficial interest in perpetual trusts, beginning of year	\$ 184,500	\$ 829,755
Increase/(decrease) in value of investments	36,475	(93,473)
Transfers out	-	(551,782)
Beneficial interest in perpetual trusts, end of year	\$ 220,975	\$ 184,500

**NOTE 4 – GRANTS RECEIVABLE**

Grants receivable consisted of the following at September 30:

	2023	2022
California Office of Emergency Services	\$ 285,157	\$ 259,984
U.S. Department of Housing and Urban Development	151,293	129,623
County of Fresno	144,633	137,336
The California Partnership to End Domestic Violence (CPEDV)	67,350	-
City of Fresno	46,414	38,237
FEMA	31,850	44,916
First 5 of Fresno County	13,948	-
Westcare	9,838	18,019
Madera County	985	4,230
Fresno Unified	-	8,345
	\$ 751,468	\$ 640,690

**NOTE 5 – PLEDGES RECEIVABLE**

Pledges receivable consisted of the following at September 30:

	2023	2022
Pledges receivable in less than one year	\$ 2,363,856	\$ 159,952
Pledges receivable in one to five years	2,462,000	25,000
	\$ 4,825,856	\$ 184,952

**Marjaree Mason Center, Inc.**  
**Notes to Financial Statements**

**NOTE 6 – PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following at September 30:

	<u>2023</u>	<u>2022</u>
Building and land improvements	\$ 4,990,873	\$ 4,990,873
Leasehold improvements	94,546	94,546
Equipment	112,726	93,946
Buildings	5,987,110	660,387
Furniture and fixtures	46,495	47,748
Vehicles	247,470	247,470
Land	1,702,341	29,064
	<u>13,181,561</u>	<u>6,164,034</u>
Less: accumulated depreciation	<u>(3,883,238)</u>	<u>(3,581,624)</u>
	<u>\$ 9,298,323</u>	<u>\$ 2,582,410</u>

The Organization incurred depreciation expense, including grant funded assets, of \$302,867 and \$301,296 for the years ended September 30, 2023 and 2022, respectively.

Construction in progress of \$252,671 as of September 30, 2023 consists of improvements to a new office and program facilities building purchased during the year ended September 30, 2023.

**NOTE 7 – BENEFICIAL INTEREST IN PERPETUAL TRUSTS**

Beneficial interest in perpetual trusts consisted of the Organization's percentage interest in three 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>2023</u>	<u>2022</u>
Burks' Trust (5% interest)	\$ 211,715	\$ 175,598
Nine Trust (5% interest)	9,260	8,902
Rea's Trust (10% interest)	70,276	70,276
	<u>291,251</u>	<u>254,776</u>
Less: allowance for beneficial interest in perpetual trusts	<u>(70,276)</u>	<u>(70,276)</u>
	<u>\$ 220,975</u>	<u>\$ 184,500</u>

**Marjaree Mason Center, Inc.**  
**Notes to Financial Statements**

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During the years ended September 30, 2023 and 2022, the Organization's portion of unrealized gain and (loss) were \$36,475 and \$(85,438), respectively. No distributions were received during the year ended September 30, 2023. During the year ended September 30, 2022, the Organization received a distribution from the Rea's Trust in the amount of \$551,781. At September 30, 2023 and 2022, beneficial interest in perpetual trusts was shown net of an allowance of \$70,276.

**NOTE 8 – REFUNDABLE ADVANCES**

The Organization was awarded a grant from the City of Fresno in the amount of \$1,067,297 for emergency shelter needs for domestic survivors related to the novel coronavirus ("COVID-19") pandemic, with half of the amount distributed upon execution of the contract and the other half distributed after completion of a successful performance review. In accordance with ASC 958-605 for conditional grants, the Organization is accounting for this grant as a refundable advance until the conditions of the grant are substantially met. At September 30, 2023, \$92,647 of the refundable advance was remaining.

**NOTE 9 – NOTE PAYABLE**

The Organization obtained a note payable from the Trust of Janell Boldt, in the amount of \$2,000,000 in November 2022. The note bears interest at a rate of 4.10%. The outstanding balance on this note payable as of September 30, 2023 was \$2,000,000. Subsequent to year-end, the note was paid in full in December 2023.

**NOTE 10 – NET ASSETS WITH DONOR RESTRICTION**

Amounts received from various donors for specific purposes are reported as net assets with donor restriction. Once the net assets are expended for their specified purposes, the assets are released from restriction. Net assets with donor restriction consisted of the following at September 30:

	<u>2023</u>	<u>2022</u>
Bullard site	\$ 5,285,594	\$ 1,178,296
Shelter, food, and supplies for clients and children	421,637	493,801
Beneficial trusts	220,975	184,500
Clovis shelter	102,204	137,457
Programs and counseling	85,579	114,151
Auto and facilities maintenance	6,754	6,905
Education and outreach	9,374	4,360
	<u>\$ 6,132,117</u>	<u>\$ 2,119,470</u>

Net assets released from restriction during the years ended September 30, 2023 and 2022, totaled \$4,200,776 and \$1,526,120, respectively.

# Marjaree Mason Center, Inc.

## Notes to Financial Statements

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### NOTE 11 – RETIREMENT PLAN

The Organization established a 401(k) Retirement Plan covering all active, full-time employees aged 21 or older. Matching contributions of \$44,800 and \$46,939 were made during the years ended September 30, 2023 and 2022, respectively.

### NOTE 12 – IN-KIND DONATIONS

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

	2023	2022
Trained volunteers	\$ 58,060	\$ 57,951
Fresno, Clovis, and Reedley shelters	7,200	12,120
Fresno office building	2,300,000	-
Meathead Movers	31,000	31,000
Donated meals	-	450
	<u>\$ 2,396,260</u>	<u>\$ 101,521</u>

The Organization's policy related to in-kind donations is to utilize the assets given to carry out the mission of the Organization. If an asset is provided that does not allow the Organization to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist depending on the type of asset.

The Organization was provided professional clinical services at no cost to service the individuals in their shelters and other programs. Based on current market rates for these services, the Organization would have paid \$65,260 and \$70,071 for the years ended September 30, 2023 and 2022, respectively.

As part of the Organization's purchase of a building for administrative and program activities, the Organization was provided an in-kind donation via a reduction of the purchase price from the seller of \$2,300,000.

The Organization was provided discretionary moving services from Meathead Movers to support victims of domestic violence in Fresno County. Based on current market rates for these services, the Organization would have paid \$31,000 for each of the years ended September 30, 2023 and 2022.

All in-kind donations received by the Organization for the years ended September 30, 2023 and 2022, were considered without donor restrictions and able to be used by the Organization as determined by the board of directors and management.

### NOTE 13 – 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 currently no pending audits or proposed adjustments.

**Marjaree Mason Center, Inc.**  
**Notes to Financial Statements**

**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, 2023 and 2022, comprise approximately 55% and 76%, 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, 2023:

Granting and Contracting Agency	Amount	Percentage
Department of Housing and Urban Development	\$ 1,828,463	33.17%
California Office of Emergency Services	1,406,018	25.50%
City of Fresno	729,841	13.24%
County of Fresno	873,810	15.85%
Other contracts	226,701	4.11%
Federal Emergency Management Agency	68,784	1.25%
Fresno Unified School District	124,991	2.27%
Madera District	22,112	0.40%
Westcare	41,342	0.75%
First 5 of Fresno County	13,948	0.25%
Family Stabilization	109,660	1.99%
The California Partnership to End Domestic Violence	67,350	1.22%
	<u>\$ 5,513,020</u>	<u>100.00</u>

The following is a summary of total grants and contracts received by granting and contracting agency for the year ended September 30, 2022:

Granting and Contracting Agency	Amount	Percentage
Department of Housing and Urban Development	\$ 1,625,075	30.02%
California Office of Emergency Services	1,449,206	26.77%
City of Fresno	959,955	17.73%
County of Fresno	821,887	15.18%
Other contracts	296,731	5.48%
Federal Emergency Management Agency	94,916	1.75%
Fresno Unified School District	85,345	1.58%
Madera District	28,908	0.53%
Westcare	27,062	0.50%
Saint Agnes Hospital	24,855	0.46%
	<u>\$ 5,413,940</u>	<u>100.00</u>

# Marjaree Mason Center, Inc.

## Notes to Financial Statements

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### NOTE 14 – LIQUIDITY AND FUNDS AVAILABLE

Financial assets available to meet cash needs for general expenditures within one year as of September 30, 2023, are as follows:

Financial assets:	
Cash and cash equivalents	\$ 1,841,976
Investments in marketable securities	3,099,016
Grants receivable	751,468
Other receivables	290
Pledges receivable	<u>4,825,856</u>
Financial assets at September 30, 2023	10,518,606
Less those unavailable for general expenditure within one year, due to:	
Noncurrent portion of pledges receivable	<u>(2,462,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 8,056,606</u>

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, 2023, because the restrictions on the net assets are expected to be met by conducting the normal activities of the programs in the coming year.

### NOTE 15 – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the statement 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 statement 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 statement of financial position, but arose after the statement of financial position date and before financial statements are available to be issued.

The Organization has evaluated subsequent events through January 30, 2024, which is the date the financial statements were available to be issued, and determined the following event required disclosure:

The Organization obtained a line of credit through Fresno First Bank effective December 18, 2023 for the amount of \$7,000,000. The Organization used funds from the line to pay off the short term note payable in December 2023. The Organization paid off the line of credit in January 2024.



## **Supplementary Information**

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**Marjaree Mason Center, Inc.**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended September 30, 2023**

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
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-21-313	\$ 35,214
Community Development Block Grant	14.218	A-21-313	\$ 2,495
Passed through the City of Fresno			
Community Development Block Grant	14.218	N/A	32,170
Total Community Development Block Grants - Entitlement Grants Cluster			69,879
Continuum of Care Program			
U.S. Department of Housing and Urban Development			
Direct award			
HUD Clovis - Supportive Housing	14.267	CA0974L9T142007	132,705
HUD Clovis - Supportive Housing	14.267	CA0974L9T142108	52,547
HUD Welcome Home	14.267	CA1480L9T141904	25,022
HUD Welcome Home	14.267	CA1185L9T142108	147,519
HUD Welcome Home 2	14.267	CA1410L9T142005	174,549
HUD Welcome Home 2	14.267	CA1410L9T142106	31,262
HUD Welcome Home 3	14.267	CA1480L9T142005	226,218
HUD Welcome Home 3	14.267	CA1480L9T142106	49,056
HUD Coordinated Entry	14.267	CA1762D9T142002	478,617
HUD Coordinated Entry	14.267	CA1762D9T1142103	35,169
HUD Coordinated Entry 2	14.267	CA1854L9141900	44,724
HUD Coordinated Entry 2	14.267	CA1854L9T142102	361,196
Total Continuum of Care Program			1,758,584
Total U.S. Department of Housing and Urban Development			1,828,463
Crime Victim Assistance			
U.S. Department of Justice			
Passed through the California Office of Emergency Services			
Domestic Violence Assistance Program	16.575	VA22011257	76,637
Domestic Violence Assistance Program	16.575	DV22361257	255,710
Unserved/Underserved Victim Advocacy	16.575	UV21041257	39,815
Unserved/Underserved Victim Advocacy	16.575	UV22011257	114,886
Housing First	16.575	XD2031257	55,167
Housing First	16.575	XD22011257	290,612
Transitional Housing - FSP	16.575	XH21041257	18,486
Transitional Housing - FSP	16.575	XH22011257	201,407
Total Crime Victim Assistance and U.S. Department of Justice			1,052,720
Emergency Food and Shelter National Board			
U.S. Department of Homeland Security			
Passed through Federal Emergency Management Agency			
Emergency Food and Shelter National Board Program	97.024	39	5,084
Direct Award			
Emergency Food and Shelter National Board Program	97.024	40	63,700
Total U.S. Department of Homeland Security			68,784
Family Violence Prevention & Services			
U.S. Department of Health and Human Services			
Passed through the California Office of Emergency Services			
Domestic Violence Assistance Program	93.671	DV22361257	79,897
Total U.S. Department of Health and Human Services			79,897
Coronavirus Relief Fund			
U.S. Department of Treasury			
Passed through the City of Fresno			
COVID 19 - City ARPA	21.019	N/A	441,002
Total Coronavirus Relief Fund and U.S. Department of Treasury			441,002
Total Expenditures of Federal Awards			\$ 3,470,866

**Marjaree Mason Center, Inc.**  
**Notes to Schedule of Expenditures of Federal Awards**  
**Year Ended September 30, 2023**

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**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, 2023. 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**

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## **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***

The Board of Directors  
Marjaree Mason Center, Inc.

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 Marjaree Mason Center, Inc., which comprise the statement of financial position for the year ended September 30, 2023, 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, and have issued our report thereon dated January 30, 2024.

### **Report on 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of Marjaree Mason Center, Inc.'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 or significant deficiencies may exist that were not identified.

## **Report on 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 Marjaree Mason Center, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Marjaree Mason Center, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Moss Adams LLP". The signature is written in a cursive, flowing style.

Fresno, California  
January 30, 2024

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

The Board of Directors  
Marjaree Mason Center, Inc.

## **Report on Compliance for the Major Federal Program**

### ***Opinion on the Major Federal Program***

We have audited Marjaree Mason Center, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on Marjaree Mason Center Inc.'s major federal program for the year ended September 30, 2023. 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.

In our opinion, Marjaree Mason Center, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2023.

### ***Basis for Opinion on the Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

### ***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

### ***Other Matters***

The results of our auditing procedures disclosed two instances of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2023-001. Our opinion on the major federal program is not modified with respect to this matter.

*Government Auditing Standards* requires the auditor to perform limited procedures on Marjaree Mason Center, Inc.'s response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Marjaree Mason Center, Inc.'s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.



## Report on Internal Control over Compliance

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

*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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-001, to be a significant deficiency.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Fresno, California  
January 30, 2024

**Marjaree Mason Center, Inc.**  
**Schedule of Findings and Questioned Costs**  
**Year Ended September 30, 2023**

**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  No

Significant deficiency(ies) identified?  Yes  None reported

Noncompliance material to financial statements noted?  Yes  No

**FEDERAL AWARDS**

Internal control over major federal programs:

Material weakness(es) identified?  Yes  No

Significant deficiency(ies) identified?  Yes  None reported

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

**Identification of Major Federal Program and Type of Auditor's Report Issued on Compliance for the Major Federal Program**

<i>Federal Assistance Listing 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?  Yes  No

**Section II — Financial Statement Findings**

None reported.

**Marjaree Mason Center, Inc.**  
**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended September 30, 2023**

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**Section III – Federal Award Findings and Questioned Costs**

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**Finding 2023-001: Department of Housing and Urban Development - Continuum of Care Program - Assistance Listing No. 14.267; Grant period: Year Ended December 31, 2023.**

*Criteria* – In accordance with 2 CFR 200.320(a)(2)(i), participants are required to perform an appropriate form of competition in their procurement process if purchases are within the small purchase threshold.

*Condition* – Management did not perform an appropriate form of competition for two purchases made within the small purchase threshold.

*Questioned costs* – There are known questioned costs of \$36,666 representing the reimbursements claimed for the vendors during the audit period. No likely questioned costs are noted.

*Context* – Inspection of procurement documentation showed two out of two vendors subjected to sampling required an adequate number of price or rate quotations from qualified sources to be obtained and assessment to be performed in accordance with the small purchase threshold in the Code of Federal Regulations; 2 CFR 200.320(a)(2)(i). Price or rate quotations were not obtained timely, nor formally documented and a formal assessment was not performed. Of the \$1,758,584 of total Continuum of Care reimbursements claimed during the year, \$60,956 of reimbursements are subject to this procurement requirement, including the known questioned costs of \$36,666.

*Effect* – By not obtaining price or rate quotations from qualified sources, this could result in the utilization of an unqualified vendor, an overspending of grant funding, and questioned costs.

*Cause* – Management did not obtain rate quotations from an adequate number of vendors, and did not retain sufficient documentation nor perform a formal assessment to proceed with the contracted services.

*Repeat finding* – This is a repeat finding as there was a procurement finding in the prior year.

*Recommendation* – We recommend management implement a control to ensure sufficient quotes are obtained and documentation is retained during the procurement of all vendors being reimbursed by federal awards and ensure compliance with the Uniform Guidance and other applicable procurement standards.

*Management's response* – Management has implemented a new procurement policy effective January 2024 for all vendors where the vendors will have their own procurement documents. The chosen vendors can be the Organization's selected vendor from 1 to 3 years depending on type of service. All quotes and bids will be maintained on the Organization's server.

**Marjaree Mason Center, Inc.**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended September 30, 2023**

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**Finding 2022-001: Department of Housing and Urban Development - Continuum of Care Program - Assistance Listing No. 14.267; Grant period: Year Ended December 31, 2022.**

<i>CFDA Number</i>	<i>Program Name</i>	<i>Federal Agency/Pass-through Entity</i>	<i>Federal Award Number</i>	<i>Award Year</i>
14.267	Continuum of Care Program	Department of Housing and Urban Development	CA1854L9141900 CA1854L9T142102	2022

*Criteria* – In accordance with 2 CFR 200.320(a)(2)(i), participants are required to perform an appropriate form of competition in their procurement process if purchases are within the small purchase threshold.

*Condition* – Management did not perform an appropriate form of competition for a purchase made within the small purchase threshold.

*Status* - Two instances of an inappropriate form of procurement were noted during the year. Management did perform the required procurement process but failed to maintain the documentation as they did not implement the corrective action on all vendors by the end of the fiscal year. Management has implemented a new procurement policy for all vendors where the vendors will have their own procurement documents. The chosen vendors can be the Organization's selected vendor from 1 to 3 years depending on type of service. All quotes and bids will be maintained on the Organization's server.

## **Other Information**

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**Marjaree Mason Center, Inc.**  
**Combining Schedule of Revenue, Support, and Expenses – Unaudited**  
**Year Ended September 30, 2023**  
**(with Summarized Comparative Information for Year Ended September 30, 2022)**

	County of Fresno	Housing and Urban Development	California Office of Emergency Services	City of Fresno	Capital Campaign Bullard	Contributions, Program Fees, and Other	Total 2023	2022
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>								
Grants and contracts	\$ 1,010,515	\$ 1,758,584	\$ 1,507,012	\$ 620,782	\$ -	\$ 616,127	\$ 5,513,020	\$ 5,413,940
Contributions	-	-	-	-	6,676,188	2,303,457	8,979,645	2,945,544
In-kind donations	-	-	-	-	-	2,396,260	2,396,260	101,521
Special events	-	-	-	-	-	571,542	571,542	521,886
Program fees	-	-	-	-	-	219,428	219,428	145,948
Other income	-	-	-	-	-	12,922	12,922	14,700
Legacies and bequests	-	-	-	-	-	333,610	333,610	100,000
Net realized and unrealized loss (gain) in fair value of perpetual trusts	-	-	-	-	-	36,475	36,475	(85,438)
Interest and dividend income	-	-	-	-	-	87,203	87,203	53,739
Net realized and unrealized (loss) gain in fair value of investments	-	-	-	-	-	132,669	132,669	(555,060)
Total revenues, gains, and other support	<u>1,010,515</u>	<u>1,758,584</u>	<u>1,507,012</u>	<u>620,782</u>	<u>6,676,188</u>	<u>6,709,693</u>	<u>18,282,774</u>	<u>8,656,780</u>
<b>EXPENSES</b>								
Accounting and legal	4,000	13,500	3,500	-	9,291	51,590	81,881	76,229
Advertising	-	-	64,705	-	25,890	83,953	174,548	17,141
Bad debt expense	-	-	-	-	-	15,000	15,000	2,500
Bank charges	-	-	-	-	-	804	804	88
Computer services	11,397	3,795	1,807	-	-	14,444	31,443	38,463
Conferences, conventions, and meetings	6,108	9,071	4,943	-	5,328	145,303	170,753	117,406
Depreciation	-	-	-	-	-	178,256	178,256	183,057
Donated services and supplies	-	-	-	-	19,125	80,231	99,356	108,062
Dues and subscriptions	6,809	-	3,784	-	-	29,116	39,709	27,392
Employee benefits	111,498	194,693	139,388	57,041	280	374,944	877,844	838,329
Equipment rental, repairs, and maintenance	79,303	65,484	94,178	18,706	11,169	213,226	482,066	526,996
Food	756	187	3,618	13,603	-	53,227	71,391	121,674
Insurance	42,735	7,410	9,770	-	18,686	25,095	103,696	73,587
Interest	-	-	-	-	-	14	14	316
Miscellaneous	-	-	-	-	-	2,702	2,702	4,136
Office expense	4,576	607	1,897	136	79	47,738	55,033	59,038
Printing	471	2,060	2,861	-	8,749	46,963	61,104	61,296
Professional fees	71,430	9,482	41,932	13,596	34,420	365,659	536,519	395,607
Program supplies	6,408	377,137	286,609	94,506	-	222,590	987,250	1,425,797
Rent	75,671	18,546	14,015	-	-	133,399	241,631	177,434
Salaries	584,449	1,019,619	739,317	335,702	2,440	1,857,936	4,539,463	3,941,852
Security	1,631	1,705	6,493	44,312	22,642	74,492	151,275	106,694
Taxes and licenses	11,164	-	-	-	21,864	(22,350)	10,678	23,963
Utilities	45,785	35,288	88,195	43,180	18,489	108,659	339,596	256,238
Total expenses	<u>1,064,191</u>	<u>1,758,584</u>	<u>1,507,012</u>	<u>620,782</u>	<u>198,452</u>	<u>4,102,991</u>	<u>9,252,012</u>	<u>8,583,295</u>
<b>CHANGES IN NET ASSETS</b>	<u>\$ (53,676)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,477,736</u>	<u>\$ 2,606,702</u>	<u>\$ 9,030,762</u>	<u>\$ 73,485</u>

