



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

Marjaree Mason Center, Inc.

*September 30, 2021 with Summarized Comparative Information
for the Year Ended September 30, 2020*



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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, 2021, 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, 2021, 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 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 23, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2020, 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 January 28, 2022, 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 be 'M. Allen' followed by a stylized flourish.

Fresno, California
January 28, 2022

Financial Statements

Marjaree Mason Center, Inc.
Statements of Financial Position
September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,856,348	\$ 1,787,819
Investments in marketable securities	1,660,013	1,448,091
Grants receivable	1,022,978	793,961
Current portion of pledges receivable	123,467	148,806
Prepaid expenses	97,803	85,350
Deposits	<u>28,798</u>	<u>42,325</u>
Total current assets	5,789,407	4,306,352
PROPERTY AND EQUIPMENT, net	2,755,981	2,905,526
CONSTRUCTION IN PROGRESS	-	50,688
PLEDGES RECEIVABLE, net of current portion	50,000	75,000
BENEFICIAL INTEREST IN PERPETUAL TRUSTS	<u>821,719</u>	<u>194,292</u>
Total assets	<u>\$ 9,417,107</u>	<u>\$ 7,531,858</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 164,358	\$ 404,117
Accrued salaries and benefits	254,397	315,689
Deferred revenue	160,350	88,900
Refundable advances	<u>327,888</u>	<u>1,000,000</u>
Total liabilities	<u>906,993</u>	<u>1,808,706</u>
NET ASSETS		
Without donor restriction	6,192,673	4,670,722
With donor restriction	<u>2,317,441</u>	<u>1,052,430</u>
Total net assets	<u>8,510,114</u>	<u>5,723,152</u>
Total liabilities and net assets	<u>\$ 9,417,107</u>	<u>\$ 7,531,858</u>

Marjaree Mason Center, Inc.
Statement of Activities and Changes in Net Assets
Year Ended September 30, 2021
(with Summarized Financial Information for the Year Ended September 30, 2020)

	Without Donor Restrictions	With Donor Restriction	Total	
			2021	2020
REVENUES, GAINS, AND OTHER SUPPORT				
Grants and contracts	\$ 5,153,180	\$ -	\$ 5,153,180	\$ 4,134,787
Contributions	989,636	2,014,127	3,003,763	2,254,006
In-kind donations	123,274	-	123,274	191,681
Special events	303,701	-	303,701	264,361
Program fees	184,990	-	184,990	258,062
Other income	42,897	-	42,897	11,636
Legacies and bequests	109,777	-	109,777	212,702
Paycheck Protection Program (PPP) grant	-	-	-	795,000
Emergency Housing and Assistance grant	1,210,000	-	1,210,000	-
Loss on disposal of assets	(7,118)	-	(7,118)	-
Unrealized gain in fair value of perpetual trusts	-	54,522	54,522	7,535
Interest and dividend income, net	25,457	-	25,457	45,925
Net realized and unrealized gain in fair value of investments	183,742	-	183,742	28,513
Total revenues, gains, and other support	8,319,536	2,068,649	10,388,185	8,204,208
NET ASSETS RELEASED FROM FROM RESTRICTIONS				
Restrictions satisfied by payment of related expenses	803,638	(803,638)	-	-
Total revenues, gains, and other support after net assets released from restrictions	9,123,174	1,265,011	10,388,185	8,204,208
EXPENSES				
Program services	6,078,802	-	6,078,802	6,180,745
Supporting services	924,362	-	924,362	1,000,002
Fundraising	575,795	-	575,795	429,490
Total expenses	7,578,959	-	7,578,959	7,610,237
Changes in net assets	1,544,215	1,265,011	2,809,226	593,971
NET ASSETS, beginning of year	4,670,722	1,052,430	5,723,152	5,121,134
GRANT FUNDED ASSETS				
Contributions	132,519	-	132,519	121,996
Depreciation	(131,321)	-	(131,321)	(113,949)
Disposals	(23,462)	-	(23,462)	-
Change in grant funded assets	(22,264)	-	(22,264)	8,047
NET ASSETS, end of year	\$ 6,192,673	\$ 2,317,441	\$ 8,510,114	\$ 5,723,152

See notes to financial statements.

Marjaree Mason Center, Inc.
Statement of Functional Expenses
Year Ended September 30, 2021

(with Summarized Financial Information for the Year Ended September 30, 2020)

	Program Services							Total		
	Emergency Services	Rehousing Services	Advocacy and Legal Assistance		Other Programs	Total Program Services	Supporting Services	Fundraising	Total	
			2021	2020						
Accounting and legal	\$ 17,400	\$ 10,000	\$ -	\$ -	\$ 27,400	\$ 21,163	\$ -	\$ 48,563	\$ 51,223	
Advertising	1,320	-	-	8,215	9,535	204	2,750	12,489	40	
Bad debt expense	-	-	-	-	-	-	-	-	257,077	
Bank charges	-	195	-	-	195	696	-	891	3,372	
Computer services	22,986	5,244	1,737	1,435	31,402	10,080	941	42,423	52,479	
Conferences, conventions, and meetings	18,893	5,994	653	9,932	35,472	5,218	101,391	142,081	84,122	
Depreciation	146,786	29,260	-	-	176,046	4,778	-	180,824	207,185	
Donated services and supplies	84,856	35,926	-	2,304	123,086	-	-	123,086	201,712	
Dues and subscriptions	5,304	3,010	-	142	8,456	7,194	5,102	20,752	25,259	
Employee benefits	326,436	87,469	35,618	20,921	470,444	128,249	37,618	636,311	734,063	
Equipment rental, repairs, and maintenance	380,771	76,670	14,135	11,401	482,977	27,748	21,802	532,527	488,204	
Food	144,731	7,838	-	-	152,569	323	-	152,892	14,827	
Insurance	44,342	3,799	-	-	48,141	20,104	-	68,245	67,538	
Interest	-	-	-	-	-	30,000	-	30,000	36,420	
Miscellaneous	417	50	-	-	467	796	127	1,390	1,068	
Office expense	4,736	1,395	222	190	6,543	30,373	7,459	44,375	40,911	
Printing	5,614	2,503	-	6,385	14,502	396	20,755	35,653	37,659	
Professional fees	44,358	21,928	500	32,333	99,119	89,600	85,540	274,259	216,626	
Program supplies	803,257	544,792	44	25,295	1,373,388	15,270	17,598	1,406,256	893,285	
Rent	123,984	44,730	1,800	10,473	180,987	275	3,000	184,262	205,581	
Salaries	1,795,258	450,246	213,166	113,219	2,571,889	519,023	266,570	3,357,482	3,675,603	
Security	7,252	1,569	-	-	8,821	2,101	-	10,922	10,814	
Taxes and licenses	29	-	-	-	29	92	-	121	15,996	
Utilities	203,955	43,549	7,202	2,628	257,334	10,679	5,142	273,155	289,173	
	<u>\$ 4,182,685</u>	<u>\$ 1,376,167</u>	<u>\$ 275,077</u>	<u>\$ 244,873</u>	<u>\$ 6,078,802</u>	<u>\$ 924,362</u>	<u>\$ 575,795</u>	<u>\$ 7,578,959</u>	<u>\$ 7,610,237</u>	

Marjaree Mason Center, Inc.
Statements of Cash Flows
Years Ended September 30, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 2,809,226	\$ 593,971
Adjustment to reconcile changes in net assets to net cash from operating activities:		
Depreciation	180,824	207,185
Bad debt expense	-	257,077
Loss on disposal of assets	7,118	-
Contribution of beneficial interest in perpetual trust	(572,905)	-
Net realized and unrealized gain on investments and perpetual trusts	(238,264)	(36,048)
Dividend income, reinvested	(16,974)	(23,512)
Changes in operating assets and liabilities:		
Grants receivable	(229,017)	83,720
Pledges receivable	50,339	26,559
Other receivables	-	41,812
Prepaid expenses	(12,453)	66,693
Deposits	13,527	25,163
Accounts payable and accrued expenses	(239,759)	125,529
Accrued salaries and benefits	(61,292)	138,297
Deferred revenue	71,450	(88,343)
Refundable advances	(672,112)	-
Net cash from operating activities	<u>1,089,708</u>	<u>1,418,103</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for construction in progress	(20,071)	(12,198)
Purchase of property and equipment	(4,402)	(38,554)
Proceeds from disposal of assets	14,500	-
Purchases of investments	(238,300)	(146,981)
Proceeds from sale of investments	227,094	39,529
Net cash from investing activities	<u>(21,179)</u>	<u>(158,204)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings on lines of credit	-	250,000
Repayments of lines of credit	-	(250,000)
Net cash from financing activities	<u>-</u>	<u>-</u>
Net change in cash and cash equivalents	1,068,529	1,259,899
CASH AND CASH EQUIVALENTS, beginning of year	<u>1,787,819</u>	<u>527,920</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 2,856,348</u>	<u>\$ 1,787,819</u>
NONCASH INVESTING AND FINANCING ACTIVITIES		
In-kind contributions	\$ 123,274	\$ 191,681
Assets placed in service from construction in progress	\$ 70,759	\$ 110,746

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 July 1, 2020, the Organization adopted Accounting Standards Update (ASU) No. 2014-09 and other subsequently issued ASUs under Accounting Standards Codification (ASC) Topic 606, *Revenue from Contracts with Customers*, which provides a single comprehensive accounting standard for revenue recognition for contracts with customers and supersedes current industry-specific guidance. The new standard requires organizations to recognize revenue when control of promised goods or services is transferred to customers at an amount that reflects the consideration to which the organization expects to be entitled in exchange for the goods or services. The new model requires organizations to identify contractual performance obligations and determine whether revenue should be recognized at a point in time or over time for each of these obligations. The new standard also significantly expands disclosure requirements regarding the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The standard is effective for annual periods beginning after December 15, 2019, and as such, the Organization adopted the new standard effective October 1, 2020, using the full retrospective method. The adoption of this standard did not have a significant impact on the Organization's financial position, results of operations, or cash flows. No changes were recorded to previously reported revenues as a result of the adoption.

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.

Marjaree Mason Center, Inc.

Notes to Financial Statements

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 ASC 958-605, *Not-for-Profit Entities—Revenue Recognition*, 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, 2021 and 2020, 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, 2021 and 2020, the Organization had approximately \$2,785,000 and \$1,360,000 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 and changes in net assets.

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, 2021 and 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, 2021 and 2020, amounted to \$173,467 and \$223,806, 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
Furnishings, equipment, and vehicles	5 to 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.

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, 2021 and 2020, advertising costs expensed amounted to \$12,489 and \$40, 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. 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, 2020, from which the summarized information was derived.

Reclassifications – Certain reclassifications have been made to the 2020 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.

NOTE 2 – INVESTMENTS IN MARKETABLE SECURITIES

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

	2021	2020
<u>Mutual Funds</u>		
Columbia Disciplined Cor Instl CI	\$ 131,218	\$ 99,680
JP Morgan Equity Income CLI	120,697	115,402
MFS Conservative ALLOC CLI	99,622	89,002
MFS Total Return Bond CLI	96,157	96,953
Brandywineglobal Global Opptys Bond CL I	95,466	91,729
Columbia Strategic Income CLZ	93,464	109,430
AB High Income Advisor CL	91,806	85,399
Fidelity Advisor Strategic Income CLI	84,265	80,219
Janus Henderson High Yield CLI	72,590	65,925
Columbia Select Global Equity	70,657	94,496
CVCF Social Impact Pooled Investment	69,828	57,799
Western Asset Core Plus Bond CLI	64,899	-
Fidelity Advisor New Market Income CLI	58,719	55,495
Matthews Asia Dividend Investor CL	57,499	50,418
Dreyfus Intl bond CLI	53,231	54,139
Janus Henderson Global Real Estate CLI	47,704	-
Mainstay CBRE Global Infra CLI	47,597	-
JPMorgan Core Bond CL I	45,063	42,544
Columbia Seligman Global Technology CLZ	37,942	24,742
Transamerica Intl Equity CLI	37,184	-
Invesco Balanced Risk Alloc CLY	36,386	30,707
AB Sustainable Global Thematic Advisor CL	33,932	-
Janus Henderson Global Life Sciences CLI	21,839	18,513
Columbia Strategic Income CLZ	6,377	5,767
Franklin Income Advisor CL	-	45,070
Templeton Global Bond Advisor CL	-	40,794
	<u>1,574,142</u>	<u>1,354,223</u>
<u>Exchange-Traded Funds</u>		
SPDR S&P 500 ETF	82,943	63,797
Ishares MSCI EAFE ETF	-	30,071
	<u>82,943</u>	<u>93,868</u>
<u>Money Market Fund</u>		
Ameriprise Insured Money Market	2,928	-
	<u>2,928</u>	<u>-</u>
Total investments in marketable securities	<u>\$ 1,660,013</u>	<u>\$ 1,448,091</u>

Marjaree Mason Center, Inc.

Notes to Financial Statements

During the years ended September 30, 2021 and 2020, dividend income reinvested into mutual funds was approximately \$17,000 and \$24,000, respectively. During the years ended September 30, 2021 and 2020, net realized and unrealized gain was \$183,742 and \$28,513, respectively. During the years ended September 30, 2021 and 2020, proceeds from the sales of investments were \$227,094 and \$39,529, 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.

Marjaree Mason Center, Inc.
Notes to Financial Statements

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.

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, 2021:

	Fair Value Measurements			Investments Held at NAV	Total
	Level 1	Level 2	Level 3		
Mutual funds:					
Blended Bond	\$ 488,712	\$ -	\$ -	\$ -	\$ 488,712
Domestic Stock	328,120	-	-	-	328,120
International Bond	207,416	-	-	-	207,416
Blended Asset	136,008	-	-	-	136,008
Blended Stock	262,923	-	-	-	262,923
Domestic Bond	93,464	-	-	-	93,464
International Stock	57,499	-	-	-	57,499
Total mutual funds	1,574,142	-	-	-	1,574,142
Exchange-traded funds	82,943	-	-	-	82,943
Money market funds	2,928	-	-	-	2,928
Beneficial interest in perpetual trusts	-	-	-	821,719	821,719
Total assets at fair value	<u>\$ 1,660,013</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 821,719</u>	<u>\$ 2,481,732</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, 2020:

	Fair Value Measurements			Investments Held at 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>

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. For the years ended September 30, 2021 and 2020, there were no significant transfers into or out of Level 2 or Level 3 inputs.

NOTE 4 – GRANTS RECEIVABLE

Grants receivable consisted of the following at September 30:

	<u>2021</u>	<u>2020</u>
U.S. Department of Housing and Urban Development	\$ 513,142	\$ 69,305
California Office of Emergency Services	203,714	419,143
County of Fresno	122,587	83,071
FEMA	68,798	-
City of Fresno	64,209	219,952
Westcare	30,722	2,490
Saint Agnes Hospital	16,575	-
District of Madera	3,231	-
	<u>\$ 1,022,978</u>	<u>\$ 793,961</u>

NOTE 5 – PLEDGES RECEIVABLE

Pledges receivable consisted of the following at September 30:

	<u>2021</u>	<u>2020</u>
Pledges receivable in less than one year	\$ 123,467	\$ 148,806
Pledges receivable in one to five years	50,000	75,000
	<u>\$ 173,467</u>	<u>\$ 223,806</u>

Marjaree Mason Center, Inc.
Notes to Financial Statements

NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at September 30:

	2021	2020
Building and land improvements	\$ 4,928,826	\$ 4,988,181
Leasehold improvements	94,546	118,054
Equipment	65,258	167,525
Buildings	660,387	660,387
Furniture and fixtures	47,748	70,948
Vehicles	210,480	145,311
Land	29,064	29,064
	6,036,309	6,179,470
Less: accumulated depreciation	(3,280,328)	(3,273,944)
	\$ 2,755,981	\$ 2,905,526
Construction in progress	\$ -	\$ 50,688

The Organization incurred depreciation expense of \$180,824 and \$207,185 for the years ended September 30, 2021 and 2020, 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:

	2021	2020
Burks' Trust (5% interest)	\$ 207,186	\$ 183,808
Nine Trust (5% interest)	11,484	10,484
Rea's Trust (10% interest)	603,049	-
	\$ 821,719	\$ 194,292

During the year ended September 30, 2021, the Organization's portion of unrealized gain was \$54,522. During the year ended September 30, 2020, the Organization's portion of unrealized gain was \$7,535.

Marjaree Mason Center, Inc.

Notes to Financial Statements

NOTE 8 – REFUNDABLE ADVANCES

The Organization was awarded a grant from the City of Fresno in the amount of \$500,000 related to emergency shelter needs for domestic survivors related to the novel coronavirus (COVID-19) pandemic. 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, 2021, \$327,888 of the refundable advance was still outstanding.

The Organization was awarded a grant from the State of California Emergency Housing and Assistance Program (EHAP) for renovation of an emergency shelter in Fresno in the amount of \$1,000,000. In accordance with ASC 958-605 for conditional grants, the Organization accounted for this grant as a refundable advance until the conditions of the grant were substantially met. Repayment is deferred as long as the property was used as an emergency shelter or transitional housing for 7 years. If the condition is not met, the Organization must pay the amount back with a 3% rate of interest, per annum. Accrued interest totaled \$210,000 and \$195,000 at September 30, 2021 and 2020, respectively. As the Organization substantially met the conditions, the amount is reported as grant revenue in the amount of \$1,210,000 as of September 30, 2021.

On April 29, 2020, the Organization was awarded a Paycheck Protection Program (PPP) grant in the amount of \$795,000. In accordance with 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 has 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.

NOTE 9 – 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, 2021 and 2020, the effective interest rates were 5.75% and 6.75%, respectively. The lines matured on April 2, 2021, and August 23, 2021. Management is working with the lender to renew a line of credit under similar terms. At September 30, 2021 and 2020, there was no outstanding balance on the lines of credit.

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 January 2022 and March 2066. For the year ended September 30, 2021, total office equipment and property lease expenses were \$50,571 and \$148,922, respectively. For the year ended September 30, 2020, total office equipment and property lease expenses were \$65,003 and \$178,462, respectively.

Marjaree Mason Center, Inc.
Notes to Financial Statements

The future annual minimum lease payments under long-term contractual obligations at September 30, 2021, are as follows:

<u>Year Ending September 30,</u>		
2022	\$	116,836
2023		25,861
2024		886
2025		886
2026		296
Thereafter		<u>4,000</u>
	<u>\$</u>	<u>148,765</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>2021</u>	<u>2020</u>
Beneficial trusts	\$ 821,719	\$ 194,292
Programs and counseling	652,689	30,578
Shelter, food, and supplies for clients and children	598,186	626,091
Clovis shelter	155,262	142,265
Education and outreach	70,528	40,141
Auto and facilities maintenance	18,180	18,186
Reedley facility	<u>877</u>	<u>877</u>
	<u>\$ 2,317,441</u>	<u>\$ 1,052,430</u>

Net assets released from restriction during the years ended September 30, 2021 and 2020, totaled \$803,638 and \$507,894, respectively.

NOTE 12 – RETIREMENT PLAN

The Organization established a 401(k) Retirement Plan covering all active, full-time employees aged 21 or older. Matching contributions of \$12,210 were made during the year ended September 30, 2021. No matching contributions were made during the year ended September 30, 2020.

Marjaree Mason Center, Inc.
Notes to Financial Statements

NOTE 13 – IN-KIND DONATIONS

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

	2021	2020
Trained volunteers	\$ 75,112	\$ 61,015
Fresno, Clovis, and Reedley shelters	17,162	23,400
MJR Creative Group	-	76,266
Meathead Movers	31,000	31,000
	<u>\$ 123,274</u>	<u>\$ 191,681</u>

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, 2021 and 2020, comprise approximately 62% and 56%, 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, 2021:

Granting and Contracting Agency	Amount	Percentage
Department of Housing and Urban Development	\$ 1,423,373	27.62%
California Office of Emergency Services	1,343,913	26.08%
City of Fresno	970,792	18.84%
County of Fresno	951,690	18.47%
Other contracts	178,747	3.47%
Fresno Unified School District	77,000	1.49%
California Partnership to End Domestic Violence	71,250	1.38%
Federal Emergency Management Agency	68,798	1.34%
Saint Agnes Hospital	33,145	0.64%
County of Madera	18,823	0.37%
Westcare	15,649	0.30%
	<u>\$ 5,153,180</u>	<u>100%</u>

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, 2020:

Granting and Contracting Agency	Amount	Percentage
California Office of Emergency Services	\$ 1,368,384	33.09%
Department of Housing and Urban Development	1,092,870	26.43%
County of Fresno	718,413	17.37%
City of Fresno	566,894	13.71%
Other contracts	265,973	6.43%
First 5 of Fresno County	112,604	2.72%
Westcare	9,649	0.25%
	<u>\$ 4,134,787</u>	<u>100%</u>

Impact from COVID-19 outbreak – In early 2020, the World Health Organization declared the COVID-19 outbreak a public health emergency. 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, 2021, are as follows:

Financial assets:	
Cash and cash equivalents	\$ 2,856,348
Investments in marketable securities	1,660,013
Grants receivable	1,022,978
Pledges receivable	<u>173,467</u>
Financial assets at September 30, 2021	5,712,806
Less those unavailable for general expenditure within one year, due to:	
Noncurrent portion of pledges receivable	<u>(50,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 5,662,806</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, 2021, 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 9.

Marjaree Mason Center, Inc.

Notes to Financial Statements

NOTE 16 – 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 28, 2022, which is the date the financial statements were available to be issued, and determined the following event required disclosure:

On December 3, 2021, the Organization signed a purchase and sale agreement with an unrelated party to purchase a building to replace the Organization's current administration building and Fresno shelter. The total purchase price of the building is \$7,000,000, of which the Organization currently expects to finance \$4,700,000 of the purchase price. On December 6, 2021, escrow was opened, and the Organization has until April 5, 2022, to decide if they will purchase the building and until May 5, 2022, to obtain financing. As of the date of issuance, the Organization was completing due diligence on the purchase.

Supplementary Information

Marjaree Mason Center, Inc.
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2021

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-14-482	\$ 61,077
Community Development Block Grant	14.231	A-21-313	1,723
Passed through the City of Fresno			
Community Development Block Grant	14.218	N/A	7,164
Total Community Development Block Grants - Entitlement Grants Cluster			<u>69,964</u>
Continuum of Care Program			
U.S. Department of Housing and Urban Development			
Direct award			
HUD Clovis - Supportive Housing	14.267	CA0974L9T141906	118,432
HUD Clovis - Supportive Housing	14.267	CA0974L9T142007	46,471
HUD Welcome Home	14.267	CA1185L9T141906	25,362
HUD Welcome Home	14.267	CA1480L9T141904	103,755
HUD Welcome Home 2	14.267	CA1410L9T141803	24,052
HUD Welcome Home 2	14.267	CA1410L9T142005	112,970
HUD Welcome Home 3	14.267	CA1480L9T141904	47,340
HUD Welcome Home 3	14.267	CA1480L9T142005	157,458
HUD Coordinated Entry	14.267	CA1762L9T141901	339,849
HUD Coordinated Entry	14.267	CA1762D9T142002	25,261
HUD Coordinated Entry	14.267	CA1854L9T141900	184,740
HUD Safe and Sound	14.267	CA1764D9T141800	217,683
HUD Safe and Sound	14.267	CA1764D9T142002	20,000
Total Continuum of Care Program			<u>1,423,373</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	19,030
Emergency Solutions Grant - City Cares	14.231	N/A	5,984
Total Emergency Solutions Grant			<u>25,014</u>
Total U.S. Department of Housing and Urban Development			<u>1,518,351</u>
Crime Victim Assistance			
U.S. Department of Justice			
Passed through the California Office of Emergency Services			
Domestic Violence Assistance Program	16.575	DV20341257	217,386
Unserved/Underserved Victim Advocacy	16.575	UV19021257	31,101
Unserved/Underserved Victim Advocacy	16.575	UV20031257	84,317
Housing First	16.575	XD19021257	73,189
Housing First	16.575	XD20031257	290,330
Transitional Housing - FSP	16.575	XH19021257	61,565
Transitional Housing - FSP	16.575	XH20031257	168,596
Increased Access	16.575	KU19011257	6,464
Total Crime Victim Assistance			<u>932,948</u>
Violence Against Women Formula Grants			
U.S. Department of Justice			
Passed through the California Office of Emergency Services			
Teen Dating Violence	16.588	TV20051257	83,955
Total U.S. Department of Justice			<u>1,016,903</u>
Emergency Food and Shelter National Board			
U.S. Department of Homeland Security			
Direct Award			
Emergency Food and Shelter National Board Program	97.024	Phase 38	68,798
Total U.S. Department of Homeland Security			<u>68,798</u>
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	DV20341257	127,255
Total U.S. Department of Health and Human Services			<u>127,255</u>
Coronavirus Relief Fund			
U.S. Department of Treasury			
Passed through the City of Fresno			
COVID-19 - City Cares	21.019	N/A	459,387
COVID-19 - City Cares	21.019	N/A	172,111
Total U.S. Department of Treasury			<u>631,498</u>
Total Expenditures of Federal Awards			<u>\$ 3,362,805</u>

Marjaree Mason Center, Inc.
Notes to the Schedule of Expenditures of Federal Awards
Year Ended September 30, 2021

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, 2021. 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, 2021, 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 28, 2022.

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

January 28, 2022

Report of Independent Auditors on Compliance for Each 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 Each 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 programs for the year ended September 30, 2021. Marjaree Mason Center, Inc.'s major federal programs are 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 each of Marjaree Mason Center, Inc.'s major federal programs 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 on each major federal program. However, our audit does not provide a legal determination of Marjaree Mason Center, Inc.'s compliance.

Opinion on Each 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 each of its major federal programs for the year ended September 30, 2021.

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 each major federal program to determine the auditing procedures that are appropriate in the circumstances, for the purpose of expressing an opinion on compliance for each 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
January 28, 2022

Marjaree Mason Center, Inc.
Schedule of Findings and Questioned Costs
Year Ended September 30, 2021

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 MAJOR FEDERAL PROGRAMS AND TYPE OF AUDITOR'S REPORT ISSUED ON COMPLIANCE FOR EACH 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 Each Major Federal Program</i>
16.575	Crime Victim Assistance	Unmodified
21.019	COVID-19 - Coronavirus Relief Fund	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, 2021
(with summarized financial information for the Year Ended September 30, 2020)

	County of Fresno	Housing and Urban Development	California Office of Emergency Services	Marriage License Fees	County Family Stabilization	City of Fresno	Emergency Housing and Assistance Grant	Contributions, Program Fees, and Other	Total 2021	2020
REVENUES, GAINS, AND OTHER SUPPORT										
Grants and contracts	\$ 249,550	\$ 1,423,373	\$ 1,343,913	\$ 166,248	\$ 674,311	\$ 814,160	\$ -	\$ 481,625	\$ 5,153,180	\$ 4,134,787
Contributions	-	-	-	-	-	-	-	3,003,763	3,003,763	2,254,006
In-kind donations	-	-	-	-	-	-	-	123,274	123,274	191,681
Special events	-	-	-	-	-	-	-	303,701	303,701	264,361
Program fees	-	-	-	-	-	-	-	184,990	184,990	258,062
Other income	-	-	-	-	-	-	-	42,897	42,897	11,636
Legacies and bequests	-	-	-	-	-	-	-	109,777	109,777	212,702
Paycheck Protection Program (PPP) grant	-	-	-	-	-	-	-	-	-	795,000
Emergency Housing and Assistance grant	-	-	-	-	-	-	1,210,000	-	1,210,000	-
Loss on disposal of assets	-	-	-	-	-	-	-	(7,118)	(7,118)	-
Unrealized gain in fair value of perpetual trusts	-	-	-	-	-	-	-	54,522	54,522	7,535
Interest and dividend income	-	-	-	-	-	-	-	25,457	25,457	45,925
Net realized and unrealized gain in fair value of investments	-	-	-	-	-	-	-	183,742	183,742	28,513
Total revenues, gains, and other support	249,550	1,423,373	1,343,913	166,248	674,311	814,160	1,210,000	4,506,630	10,388,185	8,204,208
EXPENSES										
Accounting and legal	-	-	3,500	-	-	-	-	45,063	48,563	51,223
Advertising	-	-	-	-	-	-	-	12,489	12,489	40
Bad debt expense	-	-	-	-	-	-	-	-	-	257,077
Bank charges	-	-	-	-	-	-	-	891	891	3,372
Computer services	-	4,406	2,713	23,046	2,741	-	-	9,517	42,423	52,479
Conferences, conventions, and meetings	3,372	5,828	6,583	152	1,151	393	-	124,602	142,081	84,122
Depreciation	-	-	-	-	-	-	-	180,824	180,824	207,185
Donated services and supplies	-	-	-	-	-	-	-	123,086	123,086	201,712
Dues and subscriptions	-	246	-	-	-	-	-	20,506	20,752	25,259
Employee benefits	11,820	139,569	110,274	105	86,599	55,868	-	232,076	636,311	734,063
Equipment rental, repairs, and maintenance	91,857	89,255	86,027	41,666	17,894	9,260	-	196,568	532,527	488,204
Food	15,600	329	679	494	124	45,413	-	90,253	152,892	14,827
Insurance	-	2,679	4,346	49,906	-	-	-	11,314	68,245	67,538
Interest	-	-	-	-	-	-	-	30,000	30,000	36,420
Miscellaneous	-	-	-	-	-	-	-	1,390	1,390	1,068
Office expense	-	714	505	2,767	865	-	-	39,524	44,375	40,911
Printing	-	2,801	211	1,891	130	-	-	30,620	35,653	37,659
Professional fees	-	32,951	20,898	7,623	112	250	-	212,425	274,259	216,626
Program supplies	47,500	349,232	313,703	564	760	366,844	-	327,653	1,406,256	893,285
Rent	2,000	24,536	29,385	-	71,237	-	-	57,104	184,262	205,581
Salaries	77,256	733,980	668,001	977	458,610	310,223	-	1,108,435	3,357,482	3,675,603
Security	-	976	7,218	-	414	-	-	2,314	10,922	10,814
Taxes and licenses	-	-	-	-	-	-	-	121	121	15,996
Utilities	145	35,871	89,870	5,099	33,674	25,909	-	82,587	273,155	289,173
Total expenses	249,550	1,423,373	1,343,913	134,290	674,311	814,160	-	2,939,362	7,578,959	7,610,237
CHANGES IN NET ASSETS	\$ -	\$ -	\$ -	\$ 31,958	\$ -	\$ -	\$ 1,210,000	\$ 1,567,268	\$ 2,809,226	\$ 593,971

