

Reports of Independent Auditors and
Financial Statements with Supplementary Information

Marjaree Mason Center, Inc.

September 30, 2024
(with Summarized Comparative Information for the
Year Ended September 30, 2023)

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Report of Independent Auditors

The Audit Committee
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, 2024, 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 present fairly, in all material respects, the financial position of Marjaree Mason Center, Inc. as of September 30, 2024, 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Matters***Summarized Comparative Information***

We have previously audited the Organization's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 30, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2023, 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 any form of assurance thereon.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2025, our consideration Marjaree Mason Center, Inc.'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 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 cursive script that reads "Moss Adams LLP".

Fresno, California
January 28, 2025

Financial Statements

Marjaree Mason Center, Inc.
Statements of Financial Position
September 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,616,449	\$ 1,852,241
Investments in marketable securities	3,071,675	3,088,751
Grants receivable	4,069,047	751,468
Other receivables	-	290
Pledges receivable, current portion	2,709,011	2,363,856
Prepaid expenses	144,549	169,872
Deposits	<u>56,749</u>	<u>35,641</u>
Total current assets	11,667,480	8,262,119
PROPERTY AND EQUIPMENT, net	9,063,150	9,298,323
CONSTRUCTION IN PROGRESS	8,008,043	252,671
PLEDGES RECEIVABLE, net of current portion	1,874,301	2,462,000
BENEFICIAL INTEREST IN PERPETUAL TRUSTS, net	<u>243,891</u>	<u>220,975</u>
Total assets	<u><u>\$ 30,856,865</u></u>	<u><u>\$ 20,496,088</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 3,693,167	\$ 431,342
Accrued salaries and benefits	376,396	327,189
Deferred revenue	285,101	188,313
Refundable advances	-	92,647
Line of credit	850,000	-
Note payable	<u>-</u>	<u>2,000,000</u>
Total liabilities	<u>5,204,664</u>	<u>3,039,491</u>
NET ASSETS		
Without donor restriction	19,517,835	11,324,480
With donor restriction	<u>6,134,366</u>	<u>6,132,117</u>
Total net assets	<u>25,652,201</u>	<u>17,456,597</u>
Total liabilities and net assets	<u><u>\$ 30,856,865</u></u>	<u><u>\$ 20,496,088</u></u>

See accompanying notes.

Marjaree Mason Center, Inc.
Statements of Activities and Changes in Net Assets
Year Ended September 30, 2024
(with Summarized Comparative Information for Year Ended September 30, 2023)

	Without Donor Restriction	With Donor Restriction	Total	
			2024	2023
REVENUES, GAINS, AND OTHER SUPPORT				
Grants and contracts	\$ 8,927,173	\$ -	\$ 8,927,173	\$ 5,513,020
Contributions	28,764	6,837,882	6,866,646	8,979,645
In-kind donations	121,504	-	121,504	2,396,260
Special events	746,037	-	746,037	571,542
Program fees	191,839	-	191,839	219,428
Other income	78,385	-	78,385	12,922
Legacies and bequests	345,552	-	345,552	333,610
Net realized and unrealized gain in fair value of perpetual trusts	-	22,916	22,916	36,475
Interest and dividend income, net	120,682	-	120,682	87,203
Net realized and unrealized gain in fair value of investments	442,364	-	442,364	132,669
Total revenues, gains, and other support	11,002,300	6,860,798	17,863,098	18,282,774
NET ASSETS RELEASED FROM RESTRICTIONS				
Restrictions satisfied by payment of related expenses	6,858,549	(6,858,549)	-	-
Total revenues, gains, and other support after net assets released from restrictions	17,860,849	2,249	17,863,098	18,282,774
EXPENSES				
Program services	10,660,064	-	10,660,064	7,355,181
Supporting services	1,262,179	-	1,262,179	1,077,174
Fundraising	877,059	-	877,059	819,657
Total expenses	12,799,302	-	12,799,302	9,252,012
CHANGES IN NET ASSETS	5,061,547	2,249	5,063,796	9,030,762
NET ASSETS, beginning of year	11,324,480	6,132,117	17,456,597	8,550,446
GRANT FUNDED ASSETS				
Contributions	3,252,833	-	3,252,833	-
Depreciation	(121,025)	-	(121,025)	(124,611)
Changes in grant funded assets	3,131,808	-	3,131,808	(124,611)
NET ASSETS, end of year	\$ 19,517,835	\$ 6,134,366	\$ 25,652,201	\$ 17,456,597

See accompanying notes.

Marjaree Mason Center, Inc.
Statements of Functional Expenses
Year Ended September 30, 2024

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

	Program Services					Supporting Services	Fundraising	Total	
	Emergency Services	Rehousing Services	Advocacy and		Total Program Services			2024	2023
			Legal Assistance	Other Programs					
Accounting and legal	\$ 58,080	\$ -	\$ -	\$ -	\$ 58,080	\$ 21,698	\$ -	\$ 79,778	\$ 81,881
Advertising	3,648	-	24,174	-	27,822	2,077	3,214	33,113	174,548
Bank charges	-	-	-	-	-	2,191	15	2,206	804
Computer services	31,205	4,783	1,675	2,377	40,040	2,764	1,398	44,202	31,443
Conferences, conventions, and meetings	29,931	6,714	3,265	25,345	65,255	22,130	127,195	214,580	170,753
Credit loss expense	-	-	-	-	-	-	9,541	9,541	15,000
Depreciation	122,293	24,243	-	-	146,536	17,416	-	163,952	178,256
Donated services and supplies	69,615	37,433	-	927	107,975	2,844	8,331	119,150	99,356
Dues and subscriptions	27,110	1,260	6,673	2,971	38,014	7,380	2,965	48,359	39,709
Employee benefits	511,887	111,051	45,067	63,976	731,981	173,694	45,913	951,588	877,844
Equipment rental, repairs, and maintenance	3,604,892	112,544	15,343	18,309	3,751,088	41,274	68,064	3,860,426	482,066
Food	68,730	1,016	-	207	69,953	-	-	69,953	71,391
Insurance	68,319	7,026	410	615	76,370	35,259	273	111,902	103,696
Interest	1,738	-	-	-	1,738	(1,237)	-	501	14
Miscellaneous	165	586	-	-	751	(3,643)	6,248	3,356	2,702
Office expense	7,634	3,722	430	648	12,434	22,088	4,029	38,551	55,033
Printing	1,115	1,227	462	5,744	8,548	1,117	34,480	44,145	61,104
Professional fees	135,688	9,121	8,038	17,174	170,021	154,913	185,261	510,195	536,519
Program supplies	277,625	511,579	259	29,291	818,754	15,994	31,776	866,524	987,250
Rent	103,295	25,098	1,253	26,689	156,335	73	37,780	194,188	241,631
Salaries	2,649,231	602,416	299,516	350,339	3,901,502	620,823	306,966	4,829,291	4,539,463
Security	83,351	2,839	-	-	86,190	2,130	-	88,320	151,275
Taxes and licenses	27,602	-	-	-	27,602	110,529	-	138,131	10,678
Utilities	295,940	56,938	5,586	4,611	363,075	10,665	3,610	377,350	339,596
	\$ 8,179,094	\$ 1,519,596	\$ 412,151	\$ 549,223	\$ 10,660,064	\$ 1,262,179	\$ 877,059	\$ 12,799,302	\$ 9,252,012

See accompanying notes.

Marjaree Mason Center, Inc.
Statements of Cash Flows
Years Ended September 30, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 5,063,796	\$ 9,030,762
Adjustment to reconcile changes in net assets to net cash		
from operating activities		
Depreciation	163,952	178,256
Bad debt expense	9,541	15,000
In-kind donation for acquisition of building	-	(2,300,000)
Net realized and unrealized gain on investments		
and perpetual trusts	(465,280)	(169,144)
Dividend income, reinvested	(17,357)	(7,637)
Changes in operating assets and liabilities		
Grants receivable	(3,327,120)	(125,778)
Pledges receivable	242,544	(4,640,904)
Other receivables	290	4,473
Prepaid expenses	25,323	(19,903)
Deposits	(21,108)	89,384
Accounts payable and accrued expenses	3,261,825	183,605
Accrued salaries and benefits	49,207	11,098
Deferred revenue	96,788	(32,287)
Refundable advances	(92,647)	92,647
Net cash from operating activities	<u>4,989,754</u>	<u>2,309,572</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for construction in progress	(4,502,539)	(252,671)
Purchase of property and equipment	(49,804)	(4,718,780)
Purchases of investments	(3,137,711)	(1,829,036)
Proceeds from sale of investments	<u>3,614,508</u>	<u>1,763,412</u>
Net cash from investing activities	<u>(4,075,546)</u>	<u>(5,037,075)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings on note payable	-	2,000,000
Repayments on note payable	(2,000,000)	-
Borrowings on line of credit	2,934,921	-
Repayments on line of credit	<u>(2,084,921)</u>	<u>-</u>
Net cash from financing activities	<u>(1,150,000)</u>	<u>2,000,000</u>
NET CHANGES IN CASH AND CASH EQUIVALENTS	<u>(235,792)</u>	<u>(727,503)</u>
CASH AND CASH EQUIVALENTS, beginning of year	<u>1,852,241</u>	<u>2,579,744</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>\$ 1,616,449</u></u>	<u><u>\$ 1,852,241</u></u>
SUPPLEMENTAL DISCLOSURE OF NONCASH		
INVESTING AND FINANCING ACTIVITIES		
In-kind contributions	\$ 121,504	\$ 96,260

See accompanying notes.

Marjaree Mason Center, Inc.

Notes to Financial Statements

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.

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.

Marjaree Mason Center, Inc.

Notes to Financial Statements

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, 2024 and 2023, 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, 2024 and 2023, the Organization had approximately \$575,416 and \$1,591,976 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.

Marjaree Mason Center, Inc.

Notes to Financial Statements

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.

Recently adopted accounting pronouncement – In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* (ASU 2016-13), which replaced the incurred loss model for measuring the allowance for credit losses with a new model that reflects current expected credit losses (CECL) over the lifetime of the underlying accounts receivable. The CECL methodology is applicable to financial assets that are measured at amortized cost, including trade accounts receivable. During 2019, the FASB issued additional ASUs amending certain aspects of ASU 2016-13.

The Organization adopted the standard using the modified retrospective method effective October 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in enhanced disclosures only.

Grants receivable – The Organization utilizes the allowance method of accounting for and reporting credit losses. Management determines the allowance for credit losses based on historical collection experience, review of the current status of the member's balance, reasonable and supportable forecasts regarding future events, and other factors deemed relevant by the Organization. Management believes historical collection information is a reasonable starting point in which to calculate the expected allowance for credit losses. At September 30, 2024 and 2023, management considered all grants receivable balances to be fully collectible and, therefore, no allowance for credit losses 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.

Grants receivable at September 30, 2024 and 2023, amounted to \$4,069,047 and \$751,468, respectively.

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 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, 2024 and 2023, amounted to \$4,583,312 and \$4,825,856, respectively.

Marjaree Mason Center, Inc.

Notes to Financial Statements

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.

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, 2024 and 2023, advertising costs expensed amounted to \$33,113 and \$174,548, respectively; no costs were capitalized.

Marjaree Mason Center, Inc.

Notes to Financial Statements

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, 2023, from which the summarized information was derived.

Reclassifications – Certain reclassifications have been made to the 2023 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.

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:

	2024	2023
Mutual funds:		
CVCF Social Impact Pooled Investment	\$ 293,630	\$ 238,866
MFS Total Return Bond CLI	254,700	149,365
JP Morgan Equity Income CLI	216,522	177,241
Columbia Select Large Cap Value Instl CL	204,722	-
Western Asset Core Plus Bond CLI	195,502	105,359
Columbia Select Global Equity	187,090	89,119
Allspring Core Plus Bond Instl CL	171,187	-
Fidelity Advisor Strategic Income CLI	169,512	155,040
PGIM High Yield CLZ	152,873	100,727
Columbia Disciplined Cor Instl CI	142,322	99,846
Columbia Strategic Income CLZ	134,732	125,346
Mainstay CBRE Global Infra CLI	122,975	97,990
AB High Income Advisor CL	120,003	111,201
Brandywineglobal Global Opptys Bond CL I	98,608	89,663
Transamerica Intl Equity CLI	79,602	73,617
Columbia Seligman Global Technology CLZ	76,911	56,843
Delaware Small Cap Core CLI	73,446	43,002
BNY Mellon International Bond CLI	69,559	60,864
Goldman Sachs Emerging Markets Equity Investor CL	68,865	-
AB Sustainable Global Thematic Advisor CL	52,164	41,411
Fidelity Advisor Growth Opptys CL I	39,358	-
Janus Henderson Global Real Estate CLI	39,000	30,869
Federated Hermes Strategic Value	-	146,487
PGIM Floating Rate Income CL Z	-	123,158
Blackstone Alt Multi Strategy CLI	-	54,989
BNY Mellon Global Real Return CLI	-	44,573
Total mutual funds	<u>2,963,283</u>	<u>2,215,576</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>-</u>	<u>749,000</u>
Exchange-traded funds:		
SPDR S&P 500 ETF	<u>108,392</u>	<u>124,175</u>
Total investments in marketable securities	<u>\$ 3,071,675</u>	<u>\$ 3,088,751</u>

During the years ended September 30, 2024 and 2023, dividend income reinvested into mutual funds was approximately \$17,357 and \$7,637, respectively. During the years ended September 30, 2024 and 2023, net realized and unrealized gains were \$442,364 and \$132,669, respectively. During the years ended September 30, 2024 and 2023, proceeds from the sales of investments were \$3,614,508 and \$1,753,147, respectively.

Marjaree Mason Center, Inc.

Notes to Financial Statements

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.

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.

Marjaree Mason Center, Inc.

Notes to Financial Statements

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, 2024:

	Fair Value Measurements			Total
	Level 1	Level 2	Level 3	
Mutual funds:				
Blended Bond	\$ 790,901	\$ -	\$ -	\$ 790,901
Domestic Stock	676,370	-	-	676,370
International Bond	168,167	-	-	168,167
Blended Asset	465,795	-	-	465,795
Blended Stock	505,580	-	-	505,580
Domestic Bond	287,605	-	-	287,605
International Stock	68,865	-	-	68,865
Total mutual funds	2,963,283	-	-	2,963,283
Exchange-traded funds	108,392	-	-	108,392
Certificates of deposit	-	-	-	-
Beneficial interest in perpetual trusts	-	-	243,891	243,891
Total assets at fair value	\$ 3,071,675	\$ -	\$ 243,891	\$ 3,315,566

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
Certificates of deposit	-	749,000	-	749,000
Beneficial interest in perpetual trusts	-	-	220,975	220,975
Total assets at fair value	\$ 2,339,751	\$ 749,000	\$ 220,975	\$ 3,309,726

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:

	2024	2023
Beneficial interest in perpetual trusts, beginning of year	\$ 220,975	\$ 184,500
Increase in value of investments	22,916	36,475
Beneficial interest in perpetual trusts, end of year	\$ 243,891	\$ 220,975

Marjaree Mason Center, Inc.
Notes to Financial Statements

Note 4 – Grants Receivable

Grants receivable consisted of the following at September 30:

	<u>2024</u>	<u>2023</u>
County of Fresno	\$ 3,462,531	\$ 144,633
California Office of Emergency Services	258,039	285,157
City of Fresno	137,946	46,414
U.S. Department of Housing and Urban Development	113,240	151,293
FEMA	65,000	31,850
First 5 of Fresno County	26,496	13,948
Westcare	3,735	9,838
City of Clovis	2,060	-
The California Partnership to End Domestic Violence (CPEDV)	-	67,350
Madera County	-	985
	<u>\$ 4,069,047</u>	<u>\$ 751,468</u>

Note 5 – Pledges Receivable

Pledges receivable consisted of the following at September 30:

	<u>2024</u>	<u>2023</u>
Pledges receivable in less than one year	\$ 2,709,011	\$ 2,363,856
Pledges receivable in one to five years	<u>1,874,301</u>	<u>2,462,000</u>
	<u>\$ 4,583,312</u>	<u>\$ 4,825,856</u>

Marjaree Mason Center, Inc.
Notes to Financial Statements

Note 6 – Property and Equipment, Net

Property and equipment, net consisted of the following at September 30:

	<u>2024</u>	<u>2023</u>
Building and land improvements	\$ 5,020,676	\$ 4,990,873
Leasehold improvements	94,546	94,546
Equipment	132,726	112,726
Buildings	5,987,110	5,987,110
Furniture and fixtures	46,495	46,495
Vehicles	247,470	247,470
Land	<u>1,702,341</u>	<u>1,702,341</u>
	13,231,364	13,181,561
Less: accumulated depreciation	<u>(4,168,214)</u>	<u>(3,883,238)</u>
	<u><u>\$ 9,063,150</u></u>	<u><u>\$ 9,298,323</u></u>

The Organization incurred depreciation expense, including grant funded assets, of \$284,977 and \$302,867 for the years ended September 30, 2024 and 2023, respectively.

Note 7 – Construction in Progress

Construction in progress of \$8,008,043 and \$252,671 as of September 30, 2024 and 2023, consists of improvements to a new office and program facilities building purchased and constructed during the years ended September 30, 2024 and 2023.

Marjaree Mason Center, Inc.

Notes to Financial Statements

Note 8 – Beneficial Interest in Perpetual Trusts, Net

Beneficial interest in perpetual trusts, net 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:

	2024	2023
Burks' Trust (5% interest)	\$ 233,094	\$ 211,715
Nine Trust (5% interest)	10,797	9,260
Rea's Trust (10% interest)	-	70,276
	243,891	291,251
Less: allowance for beneficial interest in perpetual trusts	-	(70,276)
	<u>\$ 243,891</u>	<u>\$ 220,975</u>

During the years ended September 30, 2024 and 2023, the Organization's portion of unrealized gains were \$22,916 and \$36,475 respectively. No distributions were received during the years ended September 30, 2024 and 2023. At September 30, 2024 and 2023, beneficial interest in perpetual trusts was shown net of an allowance of \$0 and \$70,276, respectively.

Note 9 – 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 and the conditions of the grant were substantially met during the year ended September 30, 2024.

Note 10 – Line of Credit

The Organization obtained a line of credit through Fresno First Bank effective December 18, 2023, for the amount of \$7,000,000. The line of credit bears interest of SOFR plus 1.5% (effective rate at September 30, 2024, was 6.84%). The outstanding principal including accrued unpaid interest is due January 5, 2026. At September 30, 2024, the outstanding balance was \$850,000.

Note 11 – 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 note was paid in full in December 2023.

Marjaree Mason Center, Inc.
Notes to Financial Statements

Note 12 – 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>2024</u>	<u>2023</u>
Bullard site	\$ 5,119,823	\$ 5,285,594
Shelter, food, and supplies for clients and children	510,541	421,637
Beneficial trusts	243,891	220,975
Programs and counseling	137,146	85,579
Clovis shelter	63,228	102,204
Reedley facility	49,191	-
Auto and facilities maintenance	6,754	6,754
Education and outreach	3,792	9,374
	<u>\$ 6,134,366</u>	<u>\$ 6,132,117</u>

Net assets released from restriction during the years ended September 30, 2024 and 2023, totaled \$6,858,549 and \$4,200,776, respectively.

Note 13 – Retirement Plan

The Organization established a 401(k) Retirement Plan covering all active, full-time employees aged 21 or older. Matching contributions of \$54,244 and \$44,800 were made during the years ended September 30, 2024 and 2023, respectively.

Note 14 – In-Kind Donations

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

	<u>2024</u>	<u>2023</u>
Trained volunteers	\$ 83,304	\$ 58,060
Fresno, Clovis, and Reedley shelters	7,200	7,200
Fresno office building	-	2,300,000
Meathead Movers	31,000	31,000
	<u>\$ 121,504</u>	<u>\$ 2,396,260</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.

Marjaree Mason Center, Inc.

Notes to Financial Statements

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 \$90,504 and \$65,260 for the years ended September 30, 2024 and 2023, 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 for the year ended September 30, 2023.

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, 2024 and 2023.

All in-kind donations received by the Organization for the years ended September 30, 2024 and 2023, were considered without donor restrictions and able to be used by the Organization as determined by the board of directors and management.

Note 15 – 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.

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, 2024 and 2023, comprise approximately 81% and 55%, 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, 2024:

Granting and Contracting Agency	Amount	Percentage
County of Fresno	\$ 3,611,693	40.46%
Department of Housing and Urban Development	1,744,832	19.55%
California Office of Emergency Services	1,472,603	16.50%
Other contracts	1,239,205	13.88%
City of Fresno	596,232	6.68%
First 5 of Fresno County	85,657	0.96%
Family Stabilization	67,260	0.75%
Federal Emergency Management Agency	52,971	0.59%
Westcare	30,378	0.34%
The California Partnership to End Domestic Violence	23,925	0.27%
Madera District	2,417	0.03%
	<u>\$ 8,927,173</u>	<u>100.00%</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, 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>

Note 16 – Liquidity and Funds Available

Financial assets available to meet cash needs for general expenditures within one year as of September 30, 2024, are as follows:

Financial assets:	
Cash and cash equivalents	\$ 1,616,449
Investments in marketable securities	3,071,675
Grants receivable	4,069,047
Pledges receivable	<u>4,583,312</u>
Financial assets at September 30, 2024	13,340,483
Less those unavailable for general expenditure within one year, due to:	
Noncurrent portion of pledges receivable	<u>(1,874,301)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 11,466,182</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, 2024, because the restrictions on the net assets are expected to be met by conducting the normal activities of the programs in the coming year.

Marjaree Mason Center, Inc.

Notes to Financial Statements

Note 17 – 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, 2025, which is the date the financial statements were available to be issued, and determined the following event required disclosure:

The Organization entered into three agreements to provide a reservation up to \$20 million of New Market Tax Credit allocations to support the renovation of the Courage Takes Root Community Resource Center (Bullard site). Central Valley NMTC Fund, LLC (CVNMTC) will commit up to a total of \$8 million of its 2023 allocation. Capital One Community Renewal Fund (COCRF) will commit up to a total of \$4 million. New Market Community Capital LLC (NMCC) will commit up to \$8 million.

Supplementary Information

Marjaree Mason Center, Inc.
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2024

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	\$ 24,349
Community Development Block Grant	14.218	A-21-313	23,745
Passed through the City of Fresno			
Community Development Block Grant	14.218	N/A	73,539
Community Development Block Grant	14.218	N/A	88,841
Passed through the City of Clovis			
Community Development Block Grant	14.218	N/A	2,060
Total Community Development Block Grants - Entitlement Grants Cluster			<u>212,534</u>
Continuum of Care Program			
U.S. Department of Housing and Urban Development			
Direct award			
HUD Clovis - Supportive Housing	14.267		41,722
HUD Clovis - Supportive Housing	14.267		169,954
HUD Welcome Home	14.267		83,383
HUD Welcome Home	14.267		24,946
HUD Welcome Home 2	14.267		14,630
HUD Welcome Home 2	14.267		213,515
HUD Welcome Home 3	14.267		30,854
HUD Welcome Home 3	14.267		236,453
HUD Coordinated Entry	14.267		38,665
HUD Coordinated Entry	14.267		350,464
HUD Coordinated Entry 2	14.267		316,567
HUD Coordinated Entry 2	14.267		91,574
Total Continuum of Care Program			<u>1,612,727</u>
Total U.S. Department of Housing and Urban Development			<u>1,825,261</u>
Crime Victim Assistance			
U.S. Department of Justice			
Passed through the California Office of Emergency Services			
Violence Against Women Formula Grants	16.588	VA22011257	20,339
Violence Against Women Formula Grants	16.588	VA23021257	64,596
Crime Victim Assistance	16.575	DV23371257	250,475
Crime Victim Assistance	16.575	UV23021257	143,940
Crime Victim Assistance	16.575	UV22011257	77,554
Crime Victim Assistance	16.575	XD23021257	302,007
Crime Victim Assistance	16.575	XD22011257	56,753
Crime Victim Assistance	16.575	XH23021257	93,199
Crime Victim Assistance	16.575	XH22011257	213,178
Total Crime Victim Assistance and U.S. Department of Justice			<u>1,222,041</u>
Emergency Food and Shelter National Board			
U.S. Department of Homeland Security			
Direct Award			
Emergency Food and Shelter National Board Program	97.024		<u>130,000</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	DV23371257	<u>85,132</u>
Total U.S. Department of Health and Human Services			<u>85,132</u>
Coronavirus Relief Fund			
U.S. Department of Treasury			
Passed through the City of Fresno			
Coronavirus Relief Fund	21.019	N/A	626,296
Passed through the County of Fresno			
Coronavirus Relief Fund	21.019	N/A	3,265,651
Total Coronavirus Relief Fund and U.S. Department of Treasury			<u>3,891,947</u>
Total Expenditures of Federal Awards			<u>\$ 7,154,381</u>

See notes to schedule of expenditures of federal awards.

Marjaree Mason Center, Inc.
Notes to Schedule of Expenditures of Federal Awards
Year Ended September 30, 2024

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, 2024. 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, functional expenses 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*

The Audit Committee
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 as of September 30, 2024, 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, 2025.

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 the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified one deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001, that we consider to be a significant deficiency.

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*.

Marjaree Mason Center, Inc. Response to Findings

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

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 cursive script that reads "Moss Adams LLP".

Fresno, California
January 28, 2025

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

The Audit Committee
Marjaree Mason Center, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each 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 programs for the year ended September 30, 2024. 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.

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 each of its major federal programs for the year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (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 each 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 each 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.

Report on Internal Control Over Compliance

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

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

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

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

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

Fresno, California
January 28, 2025

Marjaree Mason Center, Inc.
Schedule of Findings and Questioned Costs
Year Ended September 30, 2024

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?

 X Yes 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 the Major Federal Programs

<i>Federal Assistance Listing Numbers</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	<i>Unmodified</i>
21.019	Coronavirus Relief Fund	<i>Unmodified</i>

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

 X Yes No

Marjaree Mason Center, Inc.
Schedule of Findings and Questioned Costs
Year Ended September 30, 2024

Section II – Financial Statement Findings

**Finding 2024-001: Internal controls over data transfer between IT systems over cash disbursements
(Significant Deficiency in Internal Control over Financial Reporting)**

Criteria – Controls are implemented over the data transfers of the IT Systems Concur and Sage Intacct to ensure data transferred is complete and accurate.

Condition – Internal controls were not in place to review the data transferred from Concur to Sage Intacct for completeness and accuracy.

Cause – System was implemented during year ended September 30, 2024, we noted management did not have controls in place to review the data transferred from Concur to Sage Intacct for completeness and accuracy.

Effect or potential effect – Program, management and general expenses could be misstated due to errors from the IT Systems data transfers.

Recommendation – We recommend that management develop and implement review controls to review the batches of data transferred from Concur to Sage Intacct for completeness and accuracy.

Views of responsible officials – Management agrees with the finding and cause. Management will develop the appropriate controls to review the data transferred from Concur to Sage Intacct for completeness and accuracy.

Section III – Federal Award Findings and Questioned Costs

None reported.



Summary Schedule of Prior Audit Findings Year Ended September 30, 2024

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.

<i>Assistance Listing 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	CA0974L9T142007 CA0974L9T142108 CA1480L9T141904 CA1185L9T142108 CA1410L9T142005 CA1410L9T142106 CA1480L9T142005 CA1480L9T142106 CA1762D9T142002 CA1762D9T1142103 CA1854L9141900 CA1854L9T142102	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.

Status – No instances of noncompliance in procurement were noted during the year. We performed the required procurement processes effectively and we consider the finding resolved.

Other Information

Marjaree Mason Center, Inc.
Combining Schedule of Revenue, Support, and Expenses – Unaudited
Year Ended September 30, 2024
(with Summarized Comparative Information for Year Ended September 30, 2023)

	County of Fresno	Housing and Urban Development	California Office of Emergency Services	City of Fresno	Capital Campaign Bullard	Contributions, Program Fees, and Other	Total	
							2024	2023
REVENUES, GAINS, AND OTHER SUPPORT								
Grants and contracts	\$ 4,221,324	\$ 1,612,727	\$ 1,658,965	\$ 959,936	\$ -	\$ 474,221	\$ 8,927,173	\$ 5,513,020
Contributions	-	-	-	-	4,728,404	2,138,242	6,866,646	8,979,645
In-kind donations	-	-	-	-	-	121,504	121,504	2,396,260
Special events	-	-	-	-	-	746,037	746,037	571,542
Program fees	-	-	-	-	-	191,839	191,839	219,428
Other income	-	-	-	-	-	78,385	78,385	12,922
Legacies and bequests	-	-	-	-	125,000	220,552	345,552	333,610
Net realized and unrealized gain in fair value of perpetual trusts	-	-	-	-	-	22,916	22,916	36,475
Interest and dividend income	-	-	-	-	-	120,682	120,682	87,203
Net realized and unrealized gain in fair value of investments	-	-	-	-	-	442,364	442,364	132,669
Total revenues, gains, and other support	4,221,324	1,612,727	1,658,965	959,936	4,853,404	4,556,742	17,863,098	18,282,774
EXPENSES								
Accounting and legal	10,000	-	-	-	6,358	63,420	79,778	81,881
Advertising	-	-	-	2,500	-	30,613	33,113	174,548
Bad debt expense	-	-	-	-	-	9,541	9,541	15,000
Bank charges	-	-	-	-	-	2,206	2,206	804
Computer services	13,777	4,370	6,892	-	-	19,163	44,202	31,443
Conferences, conventions, and meetings	2,220	11,563	13,108	-	58	187,631	214,580	170,753
Depreciation	-	-	-	-	-	163,952	163,952	178,256
Donated services and supplies	-	-	-	-	-	119,150	119,150	99,356
Dues and subscriptions	16,136	-	7,279	-	303	24,641	48,359	39,709
Employee benefits	119,431	175,831	163,729	106,627	-	385,970	951,588	877,844
Equipment rental, repairs, and maintenance	3,327,001	90,097	69,989	53,938	17,330	302,071	3,860,426	482,066
Food	3,615	459	3,813	29,149	-	32,917	69,953	71,391
Insurance	10,884	1,372	6,085	-	1,922	91,639	111,902	103,696
Interest	-	-	1,738	-	-	(1,237)	501	14
Miscellaneous	-	-	-	-	207	3,149	3,356	2,702
Office expense	2,996	131	-	150	52	35,222	38,551	55,033
Printing	3,082	2,292	1,061	-	5,882	31,828	44,145	61,104
Professional fees	13,429	2,216	22,979	17,038	77,295	377,238	510,195	536,519
Program supplies	9,459	349,952	276,779	103,888	94	126,352	866,524	987,250
Rent	72,128	9,899	3,659	-	-	108,502	194,188	241,631
Salaries	618,762	927,743	931,382	594,176	-	1,757,228	4,829,291	4,539,463
Security	3,033	2,263	8,282	24,689	-	50,053	88,320	151,275
Taxes and licenses	-	-	-	-	116,747	21,384	138,131	10,678
Utilities	57,554	34,541	142,222	27,781	-	115,252	377,350	339,596
Total expenses	4,283,507	1,612,729	1,658,997	959,936	226,248	4,057,885	12,799,302	9,252,012
CHANGES IN NET ASSETS	<u>\$ (62,183)</u>	<u>\$ (2)</u>	<u>\$ (32)</u>	<u>\$ -</u>	<u>\$ 4,627,156</u>	<u>\$ 498,857</u>	<u>\$ 5,063,796</u>	<u>\$ 9,030,762</u>



January 28, 2025

To Whom It May Concern:

As required by the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), we have provided below our response and corrective action plan addressing the findings in the 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 for the year ended September 30, 2024.


Finding, response and corrective action plan

Finding 2024-001: Internal controls over IT systems and cash disbursements (Significant Deficiency in Internal Control over Financial Reporting)

Cause – While performing walkthroughs of the design and implementation of controls over cash disbursements, we noted management had no controls in place to review the data transferred from Concur to Sage Intacct for completeness and accuracy.

Views of responsible officials – We agree with the finding and cause. We will develop the appropriate controls to review the data transferred from Concur to Sage Intacct for completeness and accuracy.

Sincerely,

DocuSigned by:

49990DF07F2C47D...

Marcus Martin
Chief Financial Officer
Marjaree Mason Center, Inc.

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Marcus Martin

marcus@mmcenter.org

Director of Finance

Marjaree Mason Center

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Doug Sampson

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Moss Adams LLP

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Signing Complete	Security Checked	1/28/2025 8:07:36 AM
Completed	Security Checked	1/28/2025 8:07:36 AM

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