



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

**Marjaree Mason Center, Inc.**

*September 30, 2018 and 2017*



# Table of Contents

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<b>REPORT OF INDEPENDENT AUDITORS</b> .....	1
<b>FINANCIAL STATEMENTS</b>	
Statements of Financial Position .....	5
Statement of Activities .....	6
Statement of Changes in Net Assets .....	7
Statement of Functional Expenses .....	8
Statements of Cash Flows .....	9
Notes to Financial Statements .....	10
<b>SUPPLEMENTARY INFORMATION</b>	
Schedule of Expenditures of Federal Awards .....	22
Notes to the Schedule of Expenditures of Federal Awards .....	23
<b>SINGLE AUDIT REPORTS</b>	
<b>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 <i>GOVERNMENT AUDITING STANDARDS</i></b> .....	25
<b>REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE</b> .....	27
Schedule of Findings and Questioned Costs .....	29
Summary Schedule of Prior Audit Findings .....	30
<b>OTHER INFORMATION</b>	
Combining Schedule of Revenue, Support, and Expenses .....	32

## **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., a nonprofit organization, which comprise the statement of financial position as of September 30, 2018, the related statements of activities, changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

#### ***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, 2018, 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*, 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.

### ***Comparative Financial Statements***

We have previously audited Marjaree Mason Center, Inc.'s 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 13, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2017, 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 basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have issued our report dated February 22, 2019, 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.

Three handwritten signatures in black ink, arranged horizontally. The first signature is a stylized 'M', the second is 'Allen', and the third is 'UP'.

Fresno, California  
February 22, 2019

## **Financial Statements**

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**Marjaree Mason Center, Inc.**  
**Statements of Financial Position**  
**September 30, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 282,290	\$ 34,027
Certificates of deposit	207,438	207,334
Investments in marketable securities	1,534,874	1,514,938
Grants receivable, net	932,692	959,235
Pledges receivable	162,934	131,368
Other receivables	51,033	27,822
Prepaid expenses	106,539	104,679
Deposits	<u>63,183</u>	<u>38,274</u>
Total current assets	3,340,983	3,017,677
PROPERTY AND EQUIPMENT, net	2,910,350	2,925,340
CONSTRUCTION IN PROGRESS	39,374	8,195
BENEFICIAL INTEREST IN PERPETUAL TRUSTS	191,010	182,598
DEPOSITS	<u>-</u>	<u>64,036</u>
Total assets	<u>\$ 6,481,717</u>	<u>\$ 6,197,846</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 127,640	\$ 65,835
Accrued expenses	375,716	376,236
Deferred revenue	<u>208,880</u>	<u>101,940</u>
Total current liabilities	712,236	544,011
LONG-TERM DEBT	<u>1,000,000</u>	<u>1,000,000</u>
Total liabilities	<u>1,712,236</u>	<u>1,544,011</u>
<b>NET ASSETS</b>		
Permanently restricted	191,010	182,598
Temporarily restricted	493,149	470,117
Unrestricted	<u>4,085,322</u>	<u>4,001,120</u>
Total net assets	<u>4,769,481</u>	<u>4,653,835</u>
Total liabilities and net assets	<u>\$ 6,481,717</u>	<u>\$ 6,197,846</u>

**Marjaree Mason Center, Inc.**  
**Statement of Activities**

**Year Ended September 30, 2018**

**(with Summarized Financial Information for the Year Ended September 30, 2017)**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	
				2018	2017
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>					
Grants and contracts	\$ 4,269,349	\$ -	\$ -	\$ 4,269,349	\$ 3,789,276
Contributions	807,072	513,218	-	1,320,290	900,634
In-kind donations	138,076	-	-	138,076	139,599
Special events	366,745	124,448	-	491,193	283,266
Program fees	349,077	-	-	349,077	335,374
Other income	13,424	-	-	13,424	-
Legacies and bequests	-	-	-	-	8,615
Gain on sale of assets	1,400	-	-	1,400	-
Unrealized gain in fair value of perpetual trusts	-	-	8,412	8,412	9,132
Interest and dividend income	53,699	-	-	53,699	38,191
Unrealized (loss) gain in fair value of investments	(27,696)	-	-	(27,696)	51,168
Realized loss on investments	(16,171)	-	-	(16,171)	-
<b>Total revenues, gains, and other support</b>	<b>5,954,975</b>	<b>637,666</b>	<b>8,412</b>	<b>6,601,053</b>	<b>5,555,255</b>
<b>NET ASSETS RELEASED FROM FROM RESTRICTIONS</b>					
Restrictions satisfied by payment of related expenses	614,634	(614,634)	-	-	-
<b>Total revenues, gains, and other support after net assets released from restrictions</b>	<b>6,569,609</b>	<b>23,032</b>	<b>8,412</b>	<b>6,601,053</b>	<b>5,555,255</b>
<b>EXPENSES</b>					
Program services	5,469,514	-	-	5,469,514	4,697,751
Supporting services	823,130	-	-	823,130	657,327
Fundraising	267,328	-	-	267,328	194,415
<b>Total expenses</b>	<b>6,559,972</b>	<b>-</b>	<b>-</b>	<b>6,559,972</b>	<b>5,549,493</b>
<b>Change in net assets</b>	<b>\$ 9,637</b>	<b>\$ 23,032</b>	<b>\$ 8,412</b>	<b>\$ 41,081</b>	<b>\$ 5,762</b>



**Marjaree Mason Center, Inc.**  
**Statement of Changes in Net Assets**  
**Year Ended September 30, 2018**  
**(with Summarized Financial Information for the Year Ended September 30, 2017)**

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	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	
				<u>2018</u>	<u>2017</u>
Net assets, beginning of year	\$ 4,001,120	\$ 470,117	\$ 182,598	\$ 4,653,835	\$ 4,655,465
Change in net assets	9,637	23,032	8,412	41,081	5,762
Contribution of grant funded assets	132,239	-	-	132,239	50,072
Depreciation on grant funded assets	<u>(57,674)</u>	<u>-</u>	<u>-</u>	<u>(57,674)</u>	<u>(57,464)</u>
Net assets, end of year	<u>\$ 4,085,322</u>	<u>\$ 493,149</u>	<u>\$ 191,010</u>	<u>\$ 4,769,481</u>	<u>\$ 4,653,835</u>

**Marjaree Mason Center, Inc.**  
**Statement of Functional Expenses**  
**Year Ended September 30, 2018**

**(with Summarized Financial Information for the Year Ended September 30, 2017)**

	Program Services	Supporting Services	Fundraising	Total	
				2018	2017
Accounting and legal	\$ 10,733	\$ 16,430	\$ -	\$ 27,163	\$ 29,117
Advertising	10,040	-	1,800	11,840	38,805
Bad debt expense	45,000	11,671	-	56,671	35,932
Bank charges	363	999	-	1,362	1,223
Computer services	27,796	4,344	452	32,592	35,218
Conferences, conventions, and meetings	59,573	10,147	68,524	138,244	115,820
Depreciation	176,031	30,564	1,577	208,172	198,063
Donated services and supplies	104,028	3,018	94	107,140	134,964
Dues and subscriptions	8,069	6,452	3,868	18,389	5,178
Employee benefits	536,537	135,999	4,915	677,451	656,538
Equipment rental, repairs, and maintenance	333,826	31,991	37,847	403,664	317,878
Food	13,728	148	-	13,876	20,529
Insurance	35,955	40,609	-	76,564	43,440
Interest	-	30,000	-	30,000	30,000
Miscellaneous	1,069	969	-	2,038	1,516
Office expense	17,440	19,853	9,545	46,838	33,280
Printing	9,364	766	27,335	37,465	29,023
Professional fees	164,819	10,550	34,407	209,776	112,399
Program supplies	869,132	4,306	17,489	890,927	434,621
Rent	135,199	350	10,183	145,732	126,868
Salaries	2,717,827	441,125	49,004	3,207,956	2,937,032
Security	11,081	1,137	-	12,218	12,997
Taxes and licenses	165	1,387	-	1,552	6,552
Utilities	181,739	20,315	288	202,342	192,500
	<u>\$ 5,469,514</u>	<u>\$ 823,130</u>	<u>\$ 267,328</u>	<u>\$ 6,559,972</u>	<u>\$ 5,549,493</u>

**Marjaree Mason Center, Inc.**  
**Statements of Cash Flows**  
**Years Ended September 30, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 41,081	\$ 5,762
Adjustment to reconcile change in net assets to net used in operating activities:		
Depreciation	208,172	198,063
Bad debt expense	56,671	35,932
Net gain on investments and perpetual trusts	(18,244)	(98,491)
Gain on sale of assets	(1,400)	-
Change in operating assets and liabilities:		
Grants receivable	(30,128)	(105,289)
Pledges receivable	(31,566)	-
Other receivables	(23,211)	(52,875)
Prepaid expenses	(1,860)	(33,681)
Deposits	39,127	(20,143)
Accounts payable	61,805	(2,091)
Accrued expenses	(520)	65,664
Deferred revenue	106,940	(20,311)
	<u>406,867</u>	<u>(27,460)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for construction in progress	(96,718)	(90,253)
Purchase of property and equipment	(53,078)	(4,586)
Proceeds from sales of assets	1,400	-
Purchases of investments	(457,320)	(100,000)
Proceeds from sale of investments	447,104	1,342
Purchases of certificates of deposit	(207,438)	(207,334)
Maturities of certificates of deposit	207,446	207,343
	<u>(158,604)</u>	<u>(193,488)</u>
Net change in cash and cash equivalents	248,263	(220,948)
CASH AND CASH EQUIVALENTS, beginning of year	<u>34,027</u>	<u>254,975</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 282,290</u>	<u>\$ 34,027</u>
<b>NON-CASH INVESTING AND FINANCING ACTIVITIES</b>		
Contribution of grant funded assets	\$ 132,239	\$ 50,072
Depreciation on grant funded assets	\$ 57,674	\$ 57,464
In-kind contributions	\$ 138,076	\$ 139,599

**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.

The following are the significant accounting policies of the Organization:

**Basis of presentation** – The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets as follows:

*Unrestricted* – Unrestricted net assets generally result from revenue generated by receiving unrestricted contributions, providing services, and receiving interest from investments, less expenses incurred in providing program-related services, raising contributions (fundraising expenses), and performing administrative functions. The Organization had unrestricted net assets of \$4,085,322 and \$4,001,120 at September 30, 2018 and 2017, respectively.

*Temporarily restricted* – Gifts of cash and other assets are temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor stipulated time restriction expires or the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. At September 30, 2018 and 2017, the Organization had temporarily restricted net assets of \$493,149 and \$470,117, respectively.

*Permanently restricted* – Permanently restricted net assets are restricted by donors who stipulate that resources are to be maintained permanently, but permit the Organization to expend all of the income (or other economic benefits) derived from the donated assets. The Organization had permanently restricted net assets of \$191,010 and \$182,598 at September 30, 2018 and 2017, respectively.

**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.

**Cash and cash equivalents** – For purposes of reporting the statement of cash flows, the Organization considers cash accounts, money market funds 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.

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

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During the years ended September 30, 2018 and 2017, the Organization acquired two certificates of deposit from two financial institutions totaling \$207,438 and \$207,334, respectively, which are covered under the same FDIC coverage. At September 30, 2018 and 2017, the Organization did not have any uninsured cash balances.

**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 are reported in the statement of activities.

**Grants receivable** – The Organization utilizes the allowance of accounting for and reporting uncollectible or doubtful accounts. Management determines the allowance for doubtful accounts based on an analysis of specific customers, taking into consideration the age of the past due accounts and an assessment of the customer's ability to pay. At September 30, 2018 and 2017, the allowance for doubtful accounts was \$50,000 and \$5,000, respectively. 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 promises to give** – Unconditional contributions, including promises to give at estimated net realizable value, are recognized as revenue in the period received. The Organization reports unconditional contributions as restricted support if they are received with donor stipulations that limit the use of the donated assets. Promises to give at September 30, 2018 and 2017 amounted to \$162,934 and \$131,368, respectively, and are considered to be fully collectible within one year.

**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 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 Office of Management and Budget Circular A-110, as well as any additional provisions established by the funding agency.

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

**In-kind contributions** – Contributions of noncash assets are utilized by the Organization in providing services and are recorded at their fair values in the period received. Contributions of noncash assets received for fundraising events (such as catering, entertainment, etc.) are not recorded in the accompanying financial statements. In addition, contributions of noncash assets to be sold at fundraising events by the Organization are recorded at the time of sale. Contributions of donated services that create or enhance nonfinancial assets or that 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 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 12).

**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, 2018 and 2017, advertising costs expensed amounted to \$11,840 and \$38,805, respectively; no costs were capitalized.

**Exchange transactions** – Revenues earned from contracts and grants with county, state, and federal agencies are considered exchange transactions. Revenue from exchange transactions are reported gross of any related expense in the accompanying 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 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.

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

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**Summarized comparative information** – The accompanying financial statements include certain prior year comparative information in summarized form, without net asset class 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, 2017, from which the summarized information was derived.

**Subsequent events** – Subsequent events are events or transactions that occur after the statements of financial position date, but before financial statements are available to be issued. The Organization recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statements of financial position, including the estimates inherent in the process of preparing the financial statements. The Organization’s financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statements of financial position, but arose after the statements of financial position date and before financial statements are issued. The Organization has evaluated subsequent events through February 22, 2019, which is the date the financial statements were available to be issued.

**NOTE 2 – GRANTS RECEIVABLE**

Grants receivable consisted of the following at September 30:

	2018	2017
California Office of Emergency Services	\$ 427,449	\$ 431,249
City of Fresno	277,364	152,493
County of Fresno	99,631	20,372
U.S. Department of Housing and Urban Development	96,663	108,573
First 5 of Fresno County	58,932	38,393
Fresno Sheriff’s Department	19,147	11,651
FEMA	2,156	1,017
Fresno County EOC	1,350	12,929
County Department of Social Services	-	137,301
Department of Justice	-	10,311
Medi-Cal	-	14,797
County CDBG	-	10,081
Victims of Crime	-	5,781
Superior Courts of Fresno	-	9,287
	982,692	964,235
Less allowance for doubtful accounts	(50,000)	(5,000)
	\$ 932,692	\$ 959,235

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

**NOTE 3 – PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following at September 30:

	2018	2017
Building and land improvements	\$ 4,941,233	\$ 4,721,525
Leasehold improvements	625,510	618,332
Equipment	401,092	388,244
Buildings	660,387	660,387
Furniture and fixtures	153,292	148,222
Vehicles	137,429	134,523
Land	29,064	29,064
	6,948,007	6,700,297
Less accumulated depreciation	(4,037,657)	(3,774,957)
	\$ 2,910,350	\$ 2,925,340
Construction in progress	\$ 39,374	\$ 8,195

The Organization incurred depreciation expense of \$208,172 and \$198,063 for the years ended September 30, 2018 and 2017, respectively.

**NOTE 4 – 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. At September 30, balances consisted of the following:

	2018	2017
Burks' Trust (5% interest)	\$ 180,090	\$ 171,506
Nine Trust (5% interest)	10,920	11,092
	\$ 191,010	\$ 182,598

During the year ended September 30, 2018, the Organization's portion of unrealized gain was \$8,412. During the year ended September 30, 2017, the Organization's portion of unrealized gain was \$9,132.



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

**NOTE 5 – INVESTMENTS IN MARKETABLE SECURITIES**

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

	<u>2018</u>	<u>2017</u>
<b><u>Mutual Funds</u></b>		
MFS Conservative Alloc CLI	\$ 136,961	\$ 25,047
Lord Abbett Invt TR	115,806	115,639
Columbia Strategic Income CLZ	103,409	107,331
Matthews Asia Dividend Investor CL	96,454	97,070
AB High Income Advisor CL	85,128	91,347
Brandywineglobal Global Opptys Bond CLI	80,725	57,363
MFS Total Return Bond CLI	80,533	-
James Balance Golden Rainbow Retail CL	78,458	131,199
Dreyfus International Bond CLI	70,195	44,645
Janus Henderson High Yield CLI	61,355	63,735
JP Morgan Equity Income CLI	57,803	100,679
Fidelity Advisor Emerging Markets Income CLI	52,700	58,446
Columbia Disciplined Cor Instl CI	48,738	-
Oppenheimer Global Opptys CL Y	48,294	-
Columbia Select Global Equity	47,836	-
Franklin Income Advisor CL	45,299	46,678
Columbia Emerging Markets Bond CLZ	43,470	47,995
Templeton Global Bond Advisor CL	43,458	46,462
BlackRock Global Dividend Instl CL	34,230	65,419
Fidelity Advisor Strategic Income CLI	32,106	84,965
Invesco Balanced Risk Alloc CLY	29,891	30,774
Franklin Strategic Income Advisor CL	24,314	75,477
Columbia Seligman Global Technology CLZ	19,490	18,669
American Century Diversified Bond Investor	18,362	57,457
Janus Henderson Global Life Sciences CLI	16,978	14,595
Oppenheimer Global Strategic Income CLY	15,363	50,217
MFS Research Bond CL A	-	83,729
<b><u>Exchange-Traded Funds</u></b>		
SPDR S&P 500 ETF	24,130	-
Ishares MSCI EAFE ETF	23,388	-
	<u>\$ 1,534,874</u>	<u>\$ 1,514,938</u>

During the years ended September 30, 2018 and 2017, dividend income reinvested into mutual funds was approximately \$54,000 and \$38,000, respectively. During the years ended September 30, 2018 and 2017, unrealized (loss) and gain was (\$27,696) and \$51,168, respectively. During the years ended September 30, 2018 and 2017, proceeds from the sales of investments were \$447,104 and \$1,342, respectively.

## **NOTE 6 – 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. No Level 3 inputs were available to the Organization. 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;
- 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 is based on quoted net asset values (“NAV”) of the shares held by the Organization at year-end.

**Level 2 fair value measurements** – Beneficial interests in perpetual trusts are valued at the pro-rata ownership percentage of the NAV of the private investment. The NAV is based on the underlying assets in the trust, which consist of common stocks and mutual funds. The use of NAV as fair value is deemed appropriate, as the private investments do not have finite lives, unfunded commitments relating to these types of investments, or significant restrictions on redemptions.

## Marjaree Mason Center, Inc.

### Notes to Financial Statements

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

The following table sets forth by level, within the fair value hierarchy, the Organization's assets measured at fair value on a recurring basis as of September 30, 2018:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds:				
Blended Bond	\$ 342,257	\$ -	\$ -	\$ 342,257
Blended Asset	290,608	-	-	290,608
International Bond	247,089	-	-	247,089
Domestic Bond	237,577	-	-	237,577
Blended Stock	166,829	-	-	166,829
Domestic Stock	106,542	-	-	106,542
International Stock	96,454	-	-	96,454
Total mutual funds	1,487,356	-	-	1,487,356
Exchange-traded funds	47,518	-	-	47,518
Beneficial interest in perpetual trusts	-	191,010	-	191,010
Total assets at fair value	<u>\$ 1,534,874</u>	<u>\$ 191,010</u>	<u>\$ -</u>	<u>\$ 1,725,884</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, 2017:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds:				
Blended Bond	\$ 550,429	\$ -	\$ -	\$ 550,429
International Bond	294,618	-	-	294,618
Domestic Bond	283,508	-	-	283,508
Balanced Fund	131,199	-	-	131,199
Blended Asset	115,275	-	-	115,275
Blended Stock	84,088	-	-	84,088
Domestic Stock	55,821	-	-	55,821
Total mutual funds	1,514,938	-	-	1,514,938
Beneficial interest in perpetual trusts	-	182,598	-	182,598
Total assets at fair value	<u>\$ 1,514,938</u>	<u>\$ 182,598</u>	<u>\$ -</u>	<u>\$ 1,697,536</u>

The Organization's policy is to recognize transfers into and out of Levels 2 and 3 inputs as of the date of the event or change in circumstances that caused the transfer. For the years ended September 30, 2018 and 2017, there were no significant transfers into or out of Level 2 or Level 3 inputs.

**NOTE 7 – LINE OF CREDIT**

The Organization has a \$250,000 line of credit with Central Valley Community Bank. The unsecured credit line provides for monthly interest payments at prime plus 0.5%, with a minimum interest rate of 5.0%. At September 30, 2018, the effective interest rate was 5.0%. The line of credit matured September 30, 2018. Management is currently negotiating an extension to the line of credit. At September 30, 2018 and 2017, there was no outstanding balance on the line of credit.

**NOTE 8 – LONG-TERM DEBT**

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

	2018	2017
<p>State of California Emergency Housing and Assistance Program (EHAP) forgivable loan for renovation of an emergency shelter in Fresno, secured by a deed of trust against the property. The note bears interest at 3%; accrued interest totaled \$135,000 at September 30, 2018. Repayment is deferred as long as the property is used as an emergency shelter or transitional housing. The loan's seven-year term expires September 2021. Upon expiration, the loan and any accrued interest shall be forgiven. If a transfer or conveyance of the property occurs before the end of the term that results in the development no longer being used as an emergency shelter or transitional housing, EHAP shall terminate the loan and require immediate repayment of the loan, including all outstanding principal and accrued interest.</p>	<p><u>\$ 1,000,000</u></p>	<p><u>\$ 1,000,000</u></p>

**NOTE 9 – OBLIGATIONS UNDER OPERATING LEASES**

The Organization leases office space in Fresno for the Family Stabilization Plan under an operating lease. Monthly lease payments are \$4,000, with terms ending December 31, 2020.

The Organization leases office space in Fresno for the Batterers' Intervention Program under an operating lease. Monthly lease payments are approximately \$3,900, with terms ending September 30, 2020.

The Organization leases office space in Reedley for the Rural Program under an operating lease. Monthly lease payments are approximately \$2,250, with terms ending February 21, 2020.

The Organization leases property in Clovis payable to the Clovis Community Development Agency in annual payments of \$100 through March 2066. The Organization has determined the fair value of the monthly lease payments to be \$600 as of September 30, 2018.

The Organization leases office equipment under various lease agreements. Monthly lease payments range from approximately \$54 to \$2,018, with terms ending from October 2018 to April 2021.

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

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Future minimum lease payments on the leases above are as follows:

<u>Year ending September 30,</u>		
2019	\$	152,055
2020		154,471
2021		41,945
2022		3,551
2023		100
Thereafter		<u>4,200</u>
	<u>\$</u>	<u>356,322</u>

Rent expense under operating leases for the years ended September 30, 2018 and 2017, was approximately \$127,000 and \$116,000, respectively.

**NOTE 10 – TEMPORARILY RESTRICTED NET ASSETS**

Amounts received from various donors for specific purposes are temporarily restricted until they have been spent for their specified purposes. Temporarily restricted net assets consisted of the following at September 30:

	<u>2018</u>	<u>2017</u>
Shelter, food, and supplies for clients and children	\$ 270,063	\$ 212,588
Clovis shelter	136,515	1,069
Education and outreach	34,476	143,276
Programs and counseling	29,942	56,797
Auto maintenance	21,465	24,024
Reedley facility	682	1,355
Facilities maintenance	<u>6</u>	<u>31,008</u>
	<u>\$ 493,149</u>	<u>\$ 470,117</u>

**NOTE 11 – RETIREMENT PLAN**

The Organization established a 401(k) Retirement Plan covering all active, full-time employees aged 21 or older. No matching contributions were made during the years ended September 30, 2018 and 2017.

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

**NOTE 12 – IN-KIND DONATIONS**

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

	2018	2017
Trained volunteers	\$ 95,997	\$ 65,408
Fresno, Clovis, and Reedley shelters	19,628	49,191
Meathead Movers	22,451	25,000
	\$ 138,076	\$ 139,599

**NOTE 13 – CONTINGENCIES AND CONCENTRATIONS**

**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, 2018 and 2017 comprise approximately 72% and 66%, respectively, of total unrestricted revenue.

The following is a summary of total grants and contracts received by agency for the year ended September 30, 2018:

Granting and Contracting Agency	Amount	Percentage
California Office of Emergency Services	\$ 1,732,103	41%
Department of Housing and Urban Development	996,013	23%
County of Fresno	818,566	19%
City of Fresno	300,863	7%
First 5 of Fresno County	214,038	5%
Other contracts	74,615	2%
Fresno Unified School District	65,480	2%
Federal Emergency Management Agency	27,485	1%
Fresno County Economic Opportunities Commission	21,039	0%
Fresno Sheriffs Department	19,147	0%
	\$ 4,269,349	100%

## **Supplementary Information**

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**Marjaree Mason Center, Inc.**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended September 30, 2018**

Pass-through Grantor/Federal Grantor/Program Title	Federal CFDA #	Award Number	Total Costs Expended
CDBG - Entitlement Grants Cluster			
U.S. Department of Housing and Urban Development			
Passed through the County of Fresno			
Community Development Block Grant	14.218	A-14-697	\$ 31,720
Passed through the City of Fresno			
Community Development Block Grant	14.218	N/A	<u>10,781</u>
Total CDBG - Entitlement Grants Cluster			42,501
Other Programs			
U.S. Department of Housing and Urban Development			
Direct award:			
Downtown Transition - Supportive Housing	14.235	CA0842L9T141605	103,115
HUD Clovis- Supportive Housing	14.235	CA0974L9T141704	73,862
HUD Clovis- Supportive Housing	14.235	CA0974L9T141603	167,159
HUD Welcome Home	14.235	CA1185L9T141603	99,241
HUD Welcome Home	14.235	CA1185L9T141502	12,648
HUD Welcome Home 2a	14.235	CA1411L9T141500	8,646
HUD Welcome Home 2a	14.235	CA1411L9T141702	13,526
HUD Welcome Home 2	14.235	CA1411L9T141500	74,238
HUD Welcome Home 2	14.235	CA1410L9T141702	121,378
HUD Welcome Home 3	14.235	CA1411L9T141500	130,456
HUD Welcome Home 3	14.235	CA1480L9T141702	190,275
Passed through the County of Fresno			
Emergency Solutions Grant	14.231	A-15-075	19,600
Passed through the City of Fresno			
Emergency Solutions Grant	14.231	N/A	<u>221,117</u>
Total U.S. Department of Housing and Urban Development			1,277,762
U.S. Department of Homeland Security			
Passed through the United Way of Fresno			
Emergency Food and Shelter National Board Program	97.024	N/A	<u>27,485</u>
Total U.S. Department of Homeland Security			27,485
U.S. Department of Justice			
Passed through the California Office of Emergency Services			
Domestic Violence Assistance Program (VOCA 2016)	16.575	DV17311257	280,256
Unserved/Underserved Victim Advocacy	16.575	XV15011257	270,531
Housing First (VOCA 2016)	16.575	XD16011257	370,239
Transitional Housing - FSP (VOCA)	16.575	XH16011257	355,309
Increased Access to Services Program	16.575	KU17011257	125,000
Teen Dating Violence (VAWA)	16.588	TV16021257	<u>127,642</u>
Total U.S. Department of Justice			<u>1,528,977</u>
Total Other Programs			<u>2,791,723</u>
Total Expenditures of Federal Awards			<u><u>\$ 2,834,224</u></u>



**Marjaree Mason Center, Inc.**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**Year Ended September 30, 2018**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of presentation** – The accompanying schedule of expenditures of federal awards (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, 2018. 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.

**Indirect costs** – The Organization has elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

## **Single Audit Reports**

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## **Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

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., a nonprofit organization, which comprise the statement of financial position as of September 30, 2018, the related statements of activities, changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 22, 2019.

### ***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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of Marjaree Mason Center, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Fresno, California  
February 22, 2019

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

To the Board of Directors  
Marjaree Mason Center, Inc.

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

We have audited Marjaree Mason Center, Inc.'s compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on Marjaree Mason Center, Inc.'s major federal program for the year ended September 30, 2018. Marjaree Mason Center, Inc.'s major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### ***Management's Responsibility***

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

#### ***Auditor's Responsibility***

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

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

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

In our opinion, Marjaree Mason Center, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2018.

### **Report on Internal Control Over Compliance**

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section, and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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

Fresno, California  
February 22, 2019

**Marjaree Mason Center, Inc.**  
**Schedule of Findings and Questioned Costs**  
**Year Ended September 30, 2018**

**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 MAJOR FEDERAL PROGRAMS**

<i>CFDA Number</i>	<i>Name of Federal Program/Cluster</i>	<i>Type of Auditor's Report Issued on Compliance for Major Federal Program</i>
16.575	Crime Victim Assistance	Unmodified

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

Auditee qualified as low-risk auditee?        Yes   X   No

**Section II - Financial Statement Findings**

None reported

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

None reported



**Summary Schedule of Prior Audit Findings  
Year Ended September 30, 2018**

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**Finding 2017-001 - Reporting - Significant Deficiency in Internal Control over Compliance**

<i>CFDA Number</i>	<i>Program Name</i>	<i>Federal Agency/Pass-through Entity</i>	<i>Federal Award</i>	<i>Award Year</i>
16.575	Crime Victim Assistance	U.S. Department of Justice/California Office of Emergency Services	DV16301257 XD16011257	2016
16.588	Violence Against Women Formula Grants	U.S. Department of Justice/California Office of Emergency Services	TV15011257 TV16021257	2015 2016

*Criteria* - The California Office of Emergency Services Subrecipient Handbook requires Community Based Organizations to submit a Report of Expenditures and Request for Funds and Progress Reports within 30 calendar days of the end of the report period.

*Condition* - Required reports were not submitted within the 30 calendar day deadline.

*Status* - No instances of untimely filing were noted during the year.

**Finding 2017-002 - Procurement - Significant Deficiency in Internal Control over Compliance**

<i>CFDA Number</i>	<i>Program Name</i>	<i>Federal Agency/Pass-through Entity</i>	<i>Federal Award</i>	<i>Award Year</i>
16.588	Violence Against Women Formula Grants	U.S. Department of Justice/California Office of Emergency Services	TV15011257 TV16021257	2015 2016

*Criteria* - Section 3410 of the California Office of Emergency Services Subrecipient Handbook requires all purchases of \$5,000 or over to follow a formal Invitation for Bid or Request for Proposal and not be suspended or debarred.

*Condition* - A formal Invitation for Bid or Request for Proposal was not followed for purchases over \$5,000.

*Status* - No instances of a formal Invitation for Bid or Request for Proposal when required not being performed were noted during the year.



## **Other Information**

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**Marjaree Mason Center, Inc.**  
**Combining Schedule of Revenue, Support, and Expenses**  
**Year Ended September 30, 2018**  
**(with summarized financial information for the Year Ended September 30, 2017)**

	County of Fresno	Housing and Urban Development	California Office of Emergency Services	Marriage License Fees	County Family Stabilization	Fresno County EOC	City CDBG/ESG	First 5 Fresno County	Contributions, Program Fees, and Other	Total	
										2018	2017
<b>Revenues, Gains, and Other Support</b>											
Grants and contracts	\$ 255,002	\$ 994,543	\$ 1,732,102	\$ -	\$ 565,365	\$ 21,039	\$ 300,863	\$ 214,038	\$ 186,397	\$ 4,269,349	\$ 3,789,276
Contributions	-	-	-	146,116	-	-	-	-	1,174,174	1,320,290	900,634
In-kind donations	-	-	-	-	-	-	-	-	138,076	138,076	139,599
Special events	-	-	-	-	-	-	-	-	491,193	491,193	283,266
Program fees	-	-	-	-	-	-	-	-	349,077	349,077	335,374
Other income	-	-	-	-	-	-	-	-	13,424	13,424	-
Legacies and bequests	-	-	-	-	-	-	-	-	-	-	8,615
Gain on sale of assets	-	-	-	-	-	-	-	-	1,400	1,400	-
Unrealized gain in fair value of perpetual trusts	-	-	-	-	-	-	-	-	8,412	8,412	9,132
Interest and dividend income	-	-	-	-	-	-	-	-	53,699	53,699	38,191
Unrealized (loss) gain in fair value of investments	-	-	-	-	-	-	-	-	(27,696)	(27,696)	51,168
Realized loss on investments	-	-	-	-	-	-	-	-	(16,171)	(16,171)	-
<b>Total revenues, gains, and other support</b>	<b>255,002</b>	<b>994,543</b>	<b>1,732,102</b>	<b>146,116</b>	<b>565,365</b>	<b>21,039</b>	<b>300,863</b>	<b>214,038</b>	<b>2,371,985</b>	<b>6,601,053</b>	<b>5,555,255</b>
<b>Expenses</b>											
Accounting and legal	-	5,032	1,500	9,750	-	-	-	-	10,881	27,163	29,117
Advertising	-	-	10,000	-	-	-	-	-	1,840	11,840	38,805
Bad debt expense	-	-	-	-	-	-	-	-	56,671	56,671	35,932
Bank charges	-	-	-	-	-	-	-	-	1,362	1,362	1,223
Computer services	-	2,151	2,731	11,455	1,580	-	-	-	14,675	32,592	35,218
Conferences, conventions, and meetings	2,121	4,294	19,748	33	13,543	-	408	-	98,097	138,244	115,820
Depreciation	-	-	-	-	-	-	-	-	208,172	208,172	198,063
Donated services and supplies	-	-	-	-	-	-	-	-	107,140	107,140	134,964
Dues and subscriptions	-	-	6,051	36	-	-	-	-	12,302	18,389	5,178
Employee benefits	34,029	90,276	183,205	12,170	72,665	4,726	21,509	32,274	226,597	677,451	656,538
Equipment rental, repairs, and maintenance	2,396	27,142	151,643	29,113	26,455	-	37,758	82	129,075	403,664	317,878
Food	173	451	2,473	520	332	-	-	-	9,927	13,876	20,529
Insurance	159	1,097	706	44,901	-	-	513	-	29,188	76,564	43,440
Interest	-	-	-	-	-	-	-	-	30,000	30,000	30,000
Miscellaneous	-	-	-	-	-	-	300	-	1,738	2,038	1,516
Office expense	398	1,079	2,970	4,474	3,310	-	11	235	34,361	46,838	33,280
Printing	2,828	43	2,237	-	432	-	86	-	31,839	37,465	29,023
Professional fees	-	25,090	54,328	6,973	345	-	-	35,820	87,220	209,776	112,399
Program supplies	20,366	409,033	302,618	2,385	855	400	73,562	578	81,130	890,927	434,621
Rent	6,270	214	43,457	-	38,721	-	-	-	57,070	145,732	126,868
Salaries	186,901	396,038	897,903	49,535	381,538	15,689	115,649	145,049	1,019,654	3,207,956	2,937,032
Security	-	1,630	1,490	1,494	793	-	3,422	-	3,389	12,218	12,997
Taxes and licenses	-	100	-	179	65	-	-	-	1,208	1,552	6,552
Utilities	430	30,873	49,042	12,632	19,777	224	47,645	-	41,719	202,342	192,500
<b>Total expenses</b>	<b>256,071</b>	<b>994,543</b>	<b>1,732,102</b>	<b>185,650</b>	<b>560,411</b>	<b>21,039</b>	<b>300,863</b>	<b>214,038</b>	<b>2,295,255</b>	<b>6,559,972</b>	<b>5,549,493</b>
<b>Change in net assets</b>	<b>\$ (1,069)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (39,534)</b>	<b>\$ 4,954</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 76,730</b>	<b>\$ 41,081</b>	<b>\$ 5,762</b>

