

**CENTRAL CALIFORNIA FAMILY CRISIS CENTER, INC.
PORTERVILLE, CALIFORNIA
AUDITED FINANCIAL STATEMENTS**

JUNE 30, 2021

**BORCHARDT, CORONA, FAETH & ZAKARIAN
Certified Public Accountants
1180 E. Shaw Ave., Ste. 110
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CENTRAL CALIFORNIA FAMILY CRISIS CENTER, INC.
AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

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Independent Auditor's Report

To the Board of Directors
Central California Family Crisis Center, Inc.
Porterville, California

Report on the Financial Statements

We have audited the accompanying financial statements of Central California Family Crisis Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, 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 Central California Family Crisis Center, Inc. as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2021, on our consideration of Central California Family Crisis 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 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 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 Central California Family Crisis Center, Inc.'s internal control over financial reporting and compliance.

*Berhardt, Corona, Faeth
& Hakavian*

Fresno, California
December 29, 2021

Financial Section

CENTRAL CALIFORNIA FAMILY CRISIS CENTER, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents (Note 2)	\$ 270,312
Grants Receivable (Note 4)	105,942
Accounts Receivable (Note 5)	23,237
Thrift Store Inventory	<u>38,339</u>

Total Current Assets	<u>437,830</u>
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Property and Equipment, Net (Note 6)	<u>1,494,397</u>
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Total Assets	<u><u>\$ 1,932,227</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	\$ 3,075
Accrued Liabilities	104,735
Compensated Absences	24,116
Refundable Advances (Note 12)	24,733
Current Portion of Note Payable (Note 13)	<u>20,376</u>

Total Current Liabilities	<u>177,035</u>
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NON-CURRENT LIABILITIES:

Note Payable (Note 13)	<u>261,320</u>
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Total Liabilities	<u>261,320</u>
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NET ASSETS

Without Donor Restrictions	<u>1,493,872</u>
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Total Net Assets	<u>1,493,872</u>
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Total Liabilities and Net Assets	<u><u>\$ 1,932,227</u></u>
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The accompanying notes are an integral part of the financial statements.

CENTRAL CALIFORNIA FAMILY CRISIS CENTER, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Public Support, Gains and Reclassifications			
Contributions	\$ 100,805	\$ -	\$ 100,805
Paycheck Protection Program Contribution (Note 12)	-	296,545	296,545
Federal, State and Local Grants	-	844,479	844,479
Fundraisers	16,785	-	16,785
Program Service Fees	190,219	-	190,219
Thrift Store Sales	36,466	-	36,466
Other Revenues	52,310	-	52,310
Net Realized Gains on Sale of Property and Equipment	170,485	-	170,485
Net Assets Released From Restrictions (Note 10)	<u>1,141,024</u>	<u>(1,141,024)</u>	<u>-</u>
Total Revenues, Public Support, Gains and Reclassifications	<u>1,708,094</u>	<u>-</u>	<u>1,708,094</u>
EXPENSES			
Program Services	1,224,138	-	1,224,138
Management and General	414,475	-	414,475
Fundraising	<u>654</u>	<u>-</u>	<u>654</u>
Total Expenses	<u>1,639,267</u>	<u>-</u>	<u>1,639,267</u>
Change in Net Assets	68,827	-	68,827
Beginning Net Assets	<u>1,425,045</u>	<u>-</u>	<u>1,425,045</u>
Ending Net Assets	<u>\$ 1,493,872</u>	<u>\$ -</u>	<u>\$ 1,493,872</u>

The accompanying notes are an integral part of the financial statements

CENTRAL CALIFORNIA FAMILY CRISIS CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2021

	Program Services	Management and General	Fundraising	Total
Computer Library Expenses	\$ 23,833	\$ 873	\$ -	\$ 24,706
Cost of Sales	-	36,466	-	36,466
Food	5,424	370	-	5,794
Janitorial Services	4,740	1,800	-	6,540
Insurance	43,275	16,830	-	60,105
Repairs and Maintenance	41,812	22,679	-	64,491
Occupancy	66,204	2,130	-	68,334
Postage	1,069	93	-	1,162
Accounting, Legal and Professional Fees	13,625	9,802	-	23,427
Professional Dues and Memberships	5,617	2,926	-	8,543
Other Taxes	1,663	2,007	-	3,670
Payroll Taxes	58,953	30,319	-	89,272
Salaries and Wages	786,977	236,445	-	1,023,422
Employee Benefits	1,589	325	-	1,914
Printing	15,011	1,734	-	16,745
Furniture and Equipment	1,690	-	-	1,690
Advertising	1,515	2,054	-	3,569
Office Supplies	9,472	1,240	-	10,712
Materials and Supplies	13,752	2,560	-	16,312
Telephone and Internet	23,649	6,989	-	30,638
Transportation and Travel	3,693	-	-	3,693
Utilities	34,007	8,208	-	42,215
Yard Care	2,922	1,326	-	4,248
Merchant Bank Fees	5,870	943	-	6,813
Interest Expense	-	1,372	-	1,372
Fundraising Expense	-	-	654	654
Bad Debt Expense	10,687	-	-	10,687
Other Expense	12,056	1,543	-	13,599
Total Expenses Before Depreciation	1,189,105	391,034	654	1,580,793
Depreciation	35,033	23,441	-	58,474
Total Expenses	\$ 1,224,138	\$ 414,475	\$ 654	\$ 1,639,267

The accompanying notes are an integral part of the financial statements.

CENTRAL CALIFORNIA FAMILY CRISIS CENTER, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$ 68,827
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:	
Depreciation	58,474
Net Realized Gains on Sale of Property and Equipment	(170,485)
(Increase) Decrease in:	
Grants Receivable	110,189
Accounts Receivable	3,140
Thrift Store Inventory	(7,321)
Increase (Decrease) in:	
Accounts Payable	(15,374)
Accrued Liabilities	50,077
Compensated Absences	(244)
Refundable Advances	(93,249)
	<u>4,034</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of Property and Equipment	(482,278)
Proceeds From Sales of Property and Equipment	252,632
	<u>(229,646)</u>
NET CASH USED FOR INVESTING ACTIVITIES	
CASH FLOWS FROM FINANCING ACTIVITIES	
Borrowings of Debt	371,696
Reduction of Debt	(90,000)
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>281,696</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	56,084
BEGINNING CASH AND CASH EQUIVALENTS	<u>214,228</u>
ENDING CASH AND CASH EQUIVALENTS	<u><u>\$ 270,312</u></u>
SUPPLEMENTAL SCHEDULE OF CASH FLOW INFORMATION	
Cash paid during the year for:	
Interest	<u><u>\$ 1,372</u></u>
Noncash investing and financing activity:	
Building financed with note payable	<u><u>\$ 281,696</u></u>

The accompanying notes are an integral part of the financial statements.

CENTRAL CALIFORNIA FAMILY CRISIS CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The Central California Family Crisis Center, Inc. (the "Center"), a nonprofit organization, was organized on July 14, 1977. The Center provides shelter, meals, clothing and counseling for women and children who are victims of domestic violence, housing crisis, or poverty. Programs are offered to assist participants with Anger Management and court ordered Batterers Intervention. Revenues are derived principally from the Center's programs, grants, and contributions.

The Center also operates a thrift store, Treasures, which sells donated items to the general public. In addition, items in the thrift store are given to shelter occupants to assist them with clothing and other personal items, and with items needed when they transition out of the shelter to permanent housing.

B. Basis of Presentation and Accounting

1. Basis of Presentation

The Center is required to report information regarding its financial position and activities according to two classes of net assets:

Net Assets Without Donor Restrictions:

Net assets without donor restrictions are net assets that are not subject to donor-imposed restrictions and are available for use at the Center's discretion.

Net Assets With Donor Restrictions:

Net assets with donor restrictions are net assets subject to donor-imposed restrictions that may or will be met by either actions of the Center or the passage of time. Once the restrictions are met they are reclassified as without donor restrictions. The Center does not have any net assets with donor restrictions.

2. Basis of Accounting

The financial statements of the Center are prepared using the accrual method of accounting. The accounting policies of the Center conform to accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Financial Accounting Standards Board (FASB) and established by the American Institute of Certified Public Accountants (AICPA).

C. Cash and Cash Equivalents

Cash and cash equivalents – All Certificate of Deposits purchased with a maturity of three months or less are considered to be cash equivalents. The Center maintains its cash in bank deposit accounts at high credit quality financial intuitions. The balances, at times, may exceed federally insured limits.

D. Grants Receivable

Grants receivable are stated at the amount the Center expects to collect from balances outstanding at year end. Based on management's assessment of the outstanding balances, they have concluded that no allowance for doubtful accounts is necessary.

CENTRAL CALIFORNIA FAMILY CRISIS CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

E. Accounts Receivable

Accounts receivable consist of amounts due from participants in the Center's various programs. Accounts determined to be uncollectible are directly written off from this account.

F. Thrift Store Inventory

Inventories consist of noncash donations and are stated at fair value. When evidence exists that the net realizable value of inventory is lower than its fair value the difference is recognized as a loss in the statement of activities in the period in which it occurs.

G. Property and Equipment

Property and equipment are stated at cost, if purchased, or estimated fair market value when received, if donated.

The Center follows the practice of capitalizing all expenditures for property and equipment furnishings in excess of \$2,000. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets generally as follows:

Site Improvements	15 Years
Buildings and Improvements	7-40 Years
Vehicles	5-7 Years
Furniture and Fixtures	5-7 Years

H. Revenue Recognition for Contributions

Contributions are recorded as an increase in net assets without donor restrictions if the restrictions expire or the purpose of the restriction is accomplished in the reporting period in which the revenue is recognized. All other restricted revenues are reported as increases in net assets with donor restrictions.

Federal, state and local grant revenue is earned when expended and is reported as an increase in net assets without donor restrictions. Refundable advances are recorded to the extent that the grant has not been earned.

I. Promises to Give

Unconditional promises to give are recognized as revenue or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received and approximate fair value at June 30, 2021. Conditional promises to give are recognized when the conditions on which they depend are substantially met. No amounts were recognized as promises to give for the year ended June 30, 2021.

J. Donated Services

No amounts have been reflected in the financial statements for donated services. The Center generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Center with specific program activities. The Center receives hours of volunteer service from individuals, community groups, and businesses every year. Services the Center receives without charge can be found on the Center's website.

K. Change in Accounting Principle

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards update ASU 2014-09, *Not-For-Profit Entities (Topic 606): Clarifying the Scope and the Accounting Guidance for Revenues from Contracts with Customers* (ASU 2014-09). ASU 2014-09 was adopted because it establishes standards for revenue recognition that depicts the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Center's implementation of ASU 2014-09 resulted in no adjustments to the financial statement presentation since the Center has always recognized contract revenue in accordance with ASU 2014-09.

CENTRAL CALIFORNIA FAMILY CRISIS CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

L. Revenue Recognition for Exchange Transactions

Revenue is measured as the amount of consideration the Center expects to receive in exchange for transferring goods or providing services. The majority of the Center's revenue arrangements generally consist of performance obligations to transfer promised goods or services over time with the exception of thrift store sales.

Program Service Fees – The majority of the Program Service Fees for the Center comes from the Batterers and Child Abuse Intervention programs. Program Service Fees revenue is recognized when obligations under the terms of the contract with the Center are satisfied; generally, this occurs with the transfer of control of service to the participants over time. The Center identifies a contract when it has approval and commitments from both parties, the right of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable.

Contract assets consist of accounts receivable of \$23,237 at June 30, 2021 and are included in accounts receivable in the accompanying Statement of Financial Position. The Center had no contract liabilities at June 30, 2021.

Thrift Store Sales – Customers have the option to purchase goods from the Center's thrift store. Revenue from the sales of goods is recognized when the performance obligation is satisfied, which in this case, occurs at the point in time each sale of goods is completed. The Center did not have any unsatisfied or partially satisfied performance obligations, or any contract liabilities, related to sales of goods at June 30, 2021.

Disaggregation of Revenue

The Center's following revenue is recognized over time or at a point in time based on the performance obligation of each contract. The following table disaggregates the Center's revenue based on the timing of satisfaction of performance obligation for the year ended June 30, 2021:

	Service Transferred Over Time	Service/Goods Transferred at a Point in Time	Total
Program Service Fees	\$ 190,219	\$ -	\$ 190,219
Thrift Store Sales	-	36,466	36,466
Total	\$ 190,219	\$ 36,466	\$ 226,685

M. Donated Assets

Donated investments and other noncash donations are recorded as contributions at their fair values at the date of donation.

N. Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities and Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

O. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

P. Compensated Absences

Accumulated unpaid employee vacation benefits are recognized as liabilities of the Center. Accumulated employee sick leave benefits are not recognized as liabilities since payment of such benefits is not probable. Sick leave benefits are recorded as expenditures in the period that sick leave is taken.

CENTRAL CALIFORNIA FAMILY CRISIS CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

Q. Tax Exempt Status

The Center qualifies as a charitable nonprofit organization that is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the Revenue and Taxation Code of the State of California and is classified as other than a private foundation. Contributions by the public are deductible for income tax purposes.

NOTE 2 – CASH AND EQUIVALENTS

Cash and equivalents at June 30, 2021 consisted of the following:

Petty Cash	\$ 100
Demand Deposits Accounts	171,807
Savings Accounts	48,405
Certificates of Deposit	<u>50,000</u>
Total Cash and Equivalents	<u>\$ 270,312</u>

Cash balances in banks are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). As of June 30, 2021, The Center's uninsured balance was \$20,312

NOTE 3 - LIQUIDITY

The Board has \$437,830 of financial assets available within one year of the statement of financial position date consisting of cash of \$270,312, grants receivable of \$105,942, accounts receivable of \$23,237, and inventory of \$38,339. None of these financial assets are subject to donor-imposed restrictions that would make them unavailable for general expenditures within one year of the statement of financial position date. The receivables are subject to time restrictions but will be collected within one year. As part of the Board's liquidity management, it invests cash in excess of daily requirements as described in Note 2.

NOTE 4 - GRANTS RECEIVABLE

California Office of Emergency Services (CalOES)	\$ 86,882
California Partnership to End Domestic Violence - CalOES	5,014
Emergency Food and Shelter Program	7,500
Housing and Urban Development	<u>6,546</u>
Total Grants Receivable	<u>\$ 105,942</u>

No allowance for doubtful accounts has been recorded since management feels that the entire balance will be collected.

NOTE 5 - ACCOUNTS RECEIVABLE

Accounts receivable consist of amounts due from participants in the Center's Batterers and Child Abuse Intervention programs and are shown net of an allowance for doubtful accounts. The Center provides for losses on accounts receivable using the allowance method. The allowance is based on experience, third-party contracts, and knowledge of circumstances that may affect the ability of clients to meet their obligations. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

CENTRAL CALIFORNIA FAMILY CRISIS CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 6 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of June 30, 2021:

Land	\$ 522,816
Site Improvements	10,707
Buildings and Improvements	1,186,995
Vehicles	91,044
Furniture and Fixtures	64,225
	<hr/> 1,875,787
Accumulated Depreciation	<hr/> 381,390
Property and Equipment, Net	<hr/> <u>\$ 1,494,397</u>

Depreciation expense for the year ended June 30, 2021 was \$58,474.

Land includes \$272,950 of vacant parcels of land and development costs located in Springville, CA that were originally purchased to build a new shelter and transitional apartment buildings. However, the Center realized that they would need to raise approximately one million dollars locally in order to complete the project. As a result, the plans were dropped, and the land is currently idle. The Center has listed the lots of land for sale as of June 30, 2021.

NOTE 7 - LINE-OF-CREDIT

The Center was liable on the following line-of-credit during the year ended June 30, 2020:

Bank of the Sierra, \$75,000 line-of-credit. There were \$50,000 in draws (used for cash flow purposes) and repayments from the line-of-credit during the year ended June 30, 2021 and as of June 30, 2021 there was no outstanding balance.

NOTE 8 - ADVERTISING

The Center uses advertising to promote its programs among the community it serves. advertising costs are expensed as incurred. For the year ended June 30, 2021, advertising costs totaled approximately \$3,569 as noted in the Statement of Functional Expenses.

NOTE 9 - COMMITMENTS UNDER NONCAPITALIZED LEASES

Permanent Supportive Housing

This model of housing is to provide stable housing and supportive services to chronically homeless individuals that have a disabling condition. Grant funds support all rent and utility cost for the program. The Center will receive no sublease rental revenues nor pay any contingent rentals for these properties. The Center made lease payments related to permanent supportive housing for leases in the Center's name on a month to month basis. These permanent supportive housing payments amounted to \$49,614 for the year ended June 30, 2021 and are included in Occupancy on the Statement of Functional Expenses.

Transitional Housing

The transitional housing program is a second stage program for Domestic Violence Clients. Grant funds support all rent and utility cost for the program. The maximum length of stay in transitional housing is one year. The Center will receive no sublease rental revenues nor pay any contingent rentals for these properties. The Center made lease payments related to the transitional housing for leases in the Center's name on a month to month basis. These transitional housing payments amounted to \$16,040 for the year ended June 30, 2021 and are included in Occupancy on the Statement of Functional Expenses.

CENTRAL CALIFORNIA FAMILY CRISIS CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

Toshiba Copiers

Commitments under operating (noncapitalized) lease agreements related to Toshiba Copiers provide for minimum future rental payments as of June 30, 2021, as follows:

Year Ending <u>June 30,</u>	Lease <u>Payments</u>
2022	\$ 13,036
2023	13,036
2024	13,036
2025	11,950
Total	<u>\$ 51,058</u>

The Center made lease payments related to Toshiba Copiers of \$12,998 for the year ended June 30, 2021 and are included in Printing on the Statement of Functional Expenses.

NOTE 10 – NET ASSETS RELEASED FROM RESTRICTIONS

During the year ended June 30, 2021 net assets were released from donor and grant restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donor or grantors as follows:

Federal and State Grants	\$ 844,479
Paycheck Protection Program Contribution	<u>296,545</u>
Total	<u>\$ 1,141,024</u>

NOTE 11 – COMMITMENTS AND CONTIGENCIES

State and Federal Allowances, Awards and Grants

The Center receives California and federal funds for specific purposes which are subject to review and audit by grantor agencies. Such audits by these agencies could result in the disallowance of expenditures under terms of the grants.

NOTE 12 – REFUNDABLE ADVANCES/PAYCHECK PROTECTION PROGRAM

In April 2020, the Center was approved for a \$220,672 loan under the Paycheck Protection Program (PPP) created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration (SBA). The loan accrues interest at 1.00%, but payments are not required to begin for six months after the funding of the loan. The Center is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The loan is uncollateralized and is fully guaranteed by the Federal government. The PPP Loan is considered a refundable advance until contribution revenue is recorded.

In February 2021, the Center received a second PPP Loan of \$213,296. The terms described above apply to this loan as well.

The PPP Loans are accounted for as conditional contributions in accordance with FASB ASC 958-605. Once the Center expects to meet the PPP loans' eligibility criteria and concludes that the loans represent, in substance, loans that are expected to be forgiven, it may account for them as a conditional contributions. The refundable advance should be reduced by the amount of the contribution revenue recorded. During the ended June 30, 2021 the Center recognized PPP Contributions of \$296,545 comprised of \$106,982 from the first PPP Loan and \$189,563 from the second PPP loan as outlined below.

First PPP Loan

For the years ended June 30, 2021 and 2020, the Center spent \$106,982 and \$113,690 in qualified expenses and therefore recognized revenue respectively for each year. The Center received the final notice of PPP Forgiveness Payment of \$220,672 from the SBA in March 2021.

CENTRAL CALIFORNIA FAMILY CRISIS CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

Second PPP Loan

For the year ended June 30, 2021, the Center had spent \$189,563 in qualified expenses and therefore recognized revenue as such. The remaining \$23,733 is being reported as a refundable advance, which is included in the \$24,733 reported on the Statement of Financial Position. The remaining balance has been spent as of the date of these financial statements thus it will be recognized as revenue for the year ended June 30, 2022. The Center received the final notice of PPP Forgiveness Payment of \$213,296 from the SBA in August 2021.

NOTE 13 – TREASURERS THIRFTSTORE LOAN

On February 10, 2021, the Center received a loan to finance the purchase of the new thrift store location. The loan consists of a \$281,696 Promissory Note dated February 10, 2021 with interest at 5.00%, secured by land and building. Principal and interest are payable in monthly installments of \$2,988 commencing August 1, 2021 and continuing up to July 1, 2031.

Principal Maturities of the promissory note are as follows:

Current Portion	\$ 20,376
	261,320
	<u>\$ 281,696</u>

Principal maturities are as follows:

<u>Year Ending</u> <u>June 30,</u>	
2022	\$ 20,376
2023	23,318
2024	24,511
2025	25,762
2026	27,083
Thereafter	160,646
	<u>\$ 281,696</u>

NOTE 14 – BOARD MEMBER LOAN

In September 2020, the Center received an interest free promissory note of \$40,000 from a Board Member. The loan was for short-term cash flow needs caused by CalOES being behind in issuing payments due to COVID-19. The promissory note was paid in full in March 2021.

NOTE 15 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 29, 2021, which is the date the financial statements were available to be issued. The evaluation through the time period noted above did not identify any items requiring disclosure.

Other Independent Auditor's Reports

Independent Auditor's Report 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
Central California Family Crisis Center, Inc.
Porterville, California

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 Central California Family Crisis Center, Inc. (a nonprofit organization), which comprise of the statement of financial position as of June 30, 2021, and the related statements of activities, 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 December 29, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Central California Family Crisis Center, Inc.'s internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Central California Family Crisis Center, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Central California Family Crisis 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. 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 Central California Family Crisis Center, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

*Borchardt, Corona, Faeth
& Lykavian*

Fresno, California
December 29, 2021