

KINGS UNITED WAY
(A Non-profit Corporation)
AUDIT REPORT
FOR THE YEARS ENDED DECEMBER 31, 2023 and 2022

M. GREEN AND COMPANY LLP
Certified Public Accountants

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M. GREEN AND COMPANY LLP

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

Board of Directors
Kings United Way

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Kings United Way (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Kings United Way as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

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Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 23, 2024, on our consideration of Kings United Way's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Kings United Way'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 Kings United Way's internal control over financial reporting and compliance.

M. Green and Company CP

Visalia, California
August 23, 2024

KINGS UNITED WAY
(A Non-profit Corporation)
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

ASSETS

	<u>2023</u>	<u>2022</u>
<u>CURRENT ASSETS:</u>		
Cash and cash equivalents	\$ 359,462	\$ 313,897
Certificates of deposit	308,951	102,079
Grants receivable	100,929	119,850
	<u>769,342</u>	<u>535,826</u>
<u>PROPERTY AND EQUIPMENT, at cost:</u>		
Furniture and equipment	95,254	95,254
Less: accumulated depreciation	<u>(78,847)</u>	<u>(70,366)</u>
Net property and equipment	<u>16,407</u>	<u>24,888</u>
<u>OTHER ASSETS:</u>		
Deposit	<u>1,300</u>	<u>1,300</u>
Total other assets	<u>1,300</u>	<u>1,300</u>
Total assets	<u><u>\$ 787,049</u></u>	<u><u>\$ 562,014</u></u>

LIABILITIES AND NET ASSETS

<u>CURRENT LIABILITIES:</u>		
Accounts payable	\$ 24,290	\$ 12,851
Other liabilities	14,057	3,114
Unearned grant revenue	<u>212,168</u>	<u>65,543</u>
Total current liabilities	<u>250,515</u>	<u>81,508</u>
<u>NET ASSETS:</u>		
Without donor restrictions	<u>536,534</u>	<u>480,506</u>
Total liabilities and net assets	<u><u>\$ 787,049</u></u>	<u><u>\$ 562,014</u></u>

The accompanying notes are an integral part of these statements.

KINGS UNITED WAY
(A Non-profit Corporation)
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Totals	Without Donor Restrictions	With Donor Restrictions	Totals
<u>SUPPORT:</u>						
Grants	\$ -	\$ 653,356	\$ 653,356	\$ -	\$ 537,461	\$ 537,461
Campaign pledges	24,350	-	24,350	37,621	-	37,621
Contributions	44,501	-	44,501	353	-	353
Total support	68,851	653,356	722,207	37,974	537,461	575,435
<u>REVENUE:</u>						
Fundraisers	60,006	-	60,006	27,232	-	27,232
Investment income	8,315	-	8,315	684	-	684
Other income	98,561	-	98,561	65,084	-	65,084
Total revenue	166,882	-	166,882	93,000	-	93,000
<u>NET ASSETS RELEASED FROM RESTRICTIONS</u>	653,356	(653,356)	-	555,859	(555,859)	-
TOTAL SUPPORT AND REVENUE	889,089	-	889,089	686,833	(18,398)	668,435
<u>EXPENSES:</u>						
Program services	721,118	-	721,118	565,303	-	565,303
Management and general	86,019	-	86,019	74,377	-	74,377
Fundraising	25,924	-	25,924	7,500	-	7,500
Total expenses	833,061	-	833,061	647,180	-	647,180
<u>CHANGE IN NET ASSETS</u>	56,028	-	56,028	39,653	(18,398)	21,255
Net assets, beginning of year	480,506	-	480,506	440,853	18,398	459,251
Net assets, end of year	\$ 536,534	\$ -	\$ 536,534	\$ 480,506	\$ -	\$ 480,506

The accompanying notes are an integral part of these statements.

KINGS UNITED WAY
(A Non-profit Corporation)
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2023

	Program Services				Support Services			
	HUD HMIS	211 Call Center	Other Programs	Sub-Total	Management & General	Fundraising	Sub-Total	2023
Computer support	\$ 62,004	\$ 3,006	\$ -	\$ 65,010	\$ 1,575	\$ -	\$ 1,575	\$ 66,585
Dues and subscriptions	1,274	2,828	270	4,372	113	-	113	4,485
Employee benefits	14,269	7,268	4,759	26,296	1,069	-	1,069	27,365
Equipment	354	-	-	354	-	-	-	354
Facility rent	13,246	2,953	4,800	20,999	-	-	-	20,999
Fundraising expenses	-	-	100	100	846	25,631	26,477	26,577
HUD administration	26,810	-	1,250	28,060	18	-	18	28,078
Insurance	4,119	1,000	-	5,119	1,138	-	1,138	6,257
Office expense	4,165	2,647	-	6,812	1,218	293	1,511	8,323
Payroll taxes	20,891	9,156	6,570	36,617	2,660	-	2,660	39,277
Postage and delivery	532	-	-	532	110	-	110	642
Printing and production	307	102	-	409	-	-	-	409
Professional services	32,448	23,789	3,458	59,695	9,479	-	9,479	69,174
Program expenses	33,628	12,392	25,766	71,786	25,152	-	25,152	96,938
Public relations and marketing	-	3,910	-	3,910	72	-	72	3,982
Repairs and maintenance	6,843	2,310	990	10,143	1	-	1	10,144
Salaries and wages	210,480	86,845	66,746	364,071	33,273	-	33,273	397,344
Telephone and internet	1,540	3,055	-	4,595	100	-	100	4,695
Travel and meals	1,120	684	12	1,816	699	-	699	2,515
Training	2,064	4,849	-	6,913	15	-	15	6,928
Utilities	1,741	1,768	-	3,509	-	-	-	3,509
Total before depreciation	437,835	168,562	114,721	721,118	77,538	25,924	103,462	824,580
Depreciation expense	-	-	-	-	8,481	-	8,481	8,481
Total expenses	\$ 437,835	\$ 168,562	\$ 114,721	\$ 721,118	\$ 86,019	\$ 25,924	\$ 111,943	\$ 833,061

The accompanying notes are an integral part of these statements.

KINGS UNITED WAY
(A Non-profit Corporation)
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2022

	Program Services				Support Services			
	HUD HMIS	211 Call Center	Other Programs	Sub-Total	Management & General	Fundraising	Sub-Total	2022
Computer support	\$ 59,819	\$ 3,100	\$ 18,959	\$ 81,878	\$ 750	\$ -	\$ 750	\$ 82,628
Dues and subscriptions	-	4,400	2,208	6,608	20	-	20	6,628
Employee benefits	3,222	15,020	4,635	22,877	-	-	-	22,877
Equipment	4,500	-	21	4,521	-	-	-	4,521
Facility rent	6,771	7,829	3,000	17,600	-	-	-	17,600
Fundraising expenses	-	-	-	-	2,302	7,496	9,798	9,798
HUD administration	2,971	3,756	1,458	8,185	-	-	-	8,185
Insurance	250	-	3,179	3,429	867	-	867	4,296
Office expense	4,903	1,752	820	7,475	612	4	616	8,091
Payroll taxes	10,277	14,976	2,305	27,558	163	-	163	27,721
Postage and delivery	1,061	-	100	1,161	-	-	-	1,161
Printing and production	58	1,026	-	1,084	15	-	15	1,099
Professional services	28,750	27,389	4,432	60,571	148	-	148	60,719
Program expenses	1,351	13,674	10,101	25,126	57,354	-	57,354	82,480
Public relations and marketing	-	2,073	-	2,073	400	-	400	2,473
Repairs and maintenance	2,485	1,525	615	4,625	-	-	-	4,625
Salaries and wages	107,487	148,494	20,021	276,002	1,991	-	1,991	277,993
Telephone and internet	1,246	2,591	-	3,837	-	-	-	3,837
Travel and meals	1,024	506	-	1,530	264	-	264	1,794
Training	-	3,382	1,641	5,023	50	-	50	5,073
Utilities	2,074	1,765	301	4,140	-	-	-	4,140
Total before depreciation	238,249	253,258	73,796	565,303	64,936	7,500	72,436	637,739
Depreciation expense	-	-	-	-	9,441	-	9,441	9,441
Total expenses	\$ 238,249	\$ 253,258	\$ 73,796	\$ 565,303	\$ 74,377	\$ 7,500	\$ 81,877	\$ 647,180

The accompanying notes are an integral part of these statements.

**KINGS UNITED WAY
(A Non-profit Corporation)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Change in net assets	\$ 56,028	\$ 21,255
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	8,481	9,441
Non-cash income	(6,872)	(191)
Increase (decrease) in operating assets:		
Grants receivable	18,921	(20,622)
Prepaid expenses	-	3,976
Increase (decrease) in operating liabilities:		
Accounts payable	11,439	6,622
Unearned grant revenue	146,625	47,145
Deferred revenue	6,000	-
Compensated absences	4,943	(6,845)
	<u>245,565</u>	<u>60,781</u>
Net cash provided by operating activities		
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Purchase of certificates of deposit	<u>(200,000)</u>	<u>-</u>
Net cash used by investing activities	<u>(200,000)</u>	<u>-</u>
Net increase in cash and cash equivalents	45,565	60,781
Cash and cash equivalents, beginning of year	<u>313,897</u>	<u>253,116</u>
Cash and cash equivalents, end of year	<u><u>\$ 359,462</u></u>	<u><u>\$ 313,897</u></u>
<u>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</u>		
Non-cash investing operations:		
Redemption of certificates of deposit	\$ 102,006	\$ 101,930
Less reinvested certificates of deposits	<u>(102,006)</u>	<u>(101,930)</u>
Net proceeds from redemptions	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Purchases of certificates of deposit	\$ 308,878	\$ 102,121
Less redemption of certificates of deposit	(102,006)	(101,930)
Less reinvested interest earned on certificates of deposit	<u>(6,872)</u>	<u>(191)</u>
Net cash paid for purchase of certificates of deposit	<u><u>\$ 200,000</u></u>	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these statements.

**KINGS UNITED WAY
(A Non-profit Corporation)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 – Nature of Activities

Kings United Way (the "Organization") was incorporated in March of 1967 and is a non-profit corporation exempt under Internal Revenue Code Section 501 (c)(3). Its purpose is to solicit donations from residents and companies located in Kings County to benefit local charitable organizations. The Organization conducts its affairs under management of an elected Board of Directors, salaried Executive Director and various paid staff and unpaid volunteers.

NOTE 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Organization reports information regarding its financial position and activities into two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets without Donor Restrictions – These net assets generally result from revenues generated by receiving contributions that have no donor restrictions, providing services and receiving interest from operating investments, less expenses incurred in providing program-related services, raising contributions and performing administrative functions.

Net Assets with Donor Restrictions – These net assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the donor restriction expires, that is until the stipulated time restriction ends or the purpose of the restriction is accomplished, the net assets are restricted.

Revenue Recognition

Support received is recorded as net assets without donor restrictions or net assets with donor restrictions support, depending on the existence and/or nature of any restrictions.

All support with donor restrictions is reported as an increase in net assets with donor restrictions. When a restriction expires, (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Furthermore, it is the policy of the Organization to show restricted support whose restrictions are met in the same reporting period as support without donor restrictions.

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 certain 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. Accordingly, actual results could differ from those estimates.

KINGS UNITED WAY
(A Non-profit Corporation)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 2 – Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

For the purposes of these financial statements, the Organization considers cash in checking, cash in savings and all other highly liquid investments with original maturities of three months or less at date of purchase and can be withdrawn on demand to be cash and cash equivalents.

Certificates of Deposit

The certificates of deposit are carried at fair value. The Organization intends to hold the certificates until maturity. Interest is accrued and recognized as income when earned.

Accounts and Grants Receivable

All amounts due were considered to be fully collectible, and accordingly, no allowance for doubtful accounts has been established.

Property and Equipment

Property and equipment are recorded and carried at cost, if purchased, or estimated fair value at the time of contribution, if donated. Such donations are reported as support without donor restrictions unless the donor has restricted the asset for a specific purpose. The Organization's policy is to capitalize assets valued at \$2,500 or more.

Depreciation of property and equipment is calculated using the straight-line method based on the following estimated useful lives:

Furniture and equipment 5-10 years

Compensated Absences

Employees receive annual leave based upon their length of service. Unused annual leave may be carried over with a cap not to exceed more than two times the amount the employee is entitled to on an annual basis. If cap is reached, accrual will stop until time is used.

Sick leave benefits accumulate; however, the employees do not gain a vested interest in the unused sick leave. Sick leave is recorded as an expenditure in the period the benefit is used.

**KINGS UNITED WAY
(A Non-profit Corporation)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 2 – Summary of Significant Accounting Policies (continued)

Functional Allocation of Expenses

The statements of functional expenses report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include:

Salaries and Related Expenses - All salaries and related expenses are allocated between Program Services, General and Administrative and Fundraising on the basis of time sheets supporting actual time and effort.

All other expenses are allocated based on management's estimate between the program and support services.

Advertising Costs

It is the Organization's policy to expense advertising costs as they are incurred.

NOTE 3 – Income Taxes

The Organization is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701(d). Accordingly, no provision has been made for income taxes.

NOTE 4 – Concentration of Credit Risk

The Organization maintains its cash balance at two financial institutions which are insured by the Federal Deposit Insurance Corporation (FDIC), up to \$250,000. Cash deposits in excess of federally insured limits at December 31, 2023 and 2022, were \$186,751 and \$69,256, respectively.

NOTE 5 – Certificates of Deposit

As of December 31, 2023, and December 31, 2022, the Organization had invested in four and two certificates of deposit with interest rates of 4.35% to 5.13% and 0.05% per annum, respectively. Maturity dates for December 31, 2023, certificates of deposit are April 9, 2024, and October 7, 2024. The maturity date for December 31, 2022, certificates of deposit was March 3, 2023.

**KINGS UNITED WAY
(A Non-profit Corporation)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 6 – Grants Receivable

Grants receivable consisted of the following at December 31:

	2023	2022
Kings County Behavioral Health 211	\$ 25,146	\$ 64,925
Kings County Health and Human Services Agency (211)	19,772	16,967
Kings County First 5	-	11,367
California Family Resource	-	4,502
Goodwill Industries of Sacramento Valley and Northern Nevada	-	2,460
Housing and Homelessness Incentive Program: (Homeless Management Information System) Health Net	-	877
Tulare County Health and Human Services: Agency (Homeless Management Information System Match)	6,306	2,955
Tulare County Health and Human Services: Agency (Homeless Management Information System) Housing and Disability Advocacy Program	-	3,000
U.S. Department of Housing and Urban Development	14,253	9,047
Tule River Indian Housing Authority	-	2,250
Tulare Kings Homeless Alliance (California Emergency Solutions and Housing) - Homeless Management Information System)	2,040	-
Adventist Health, Mobile Health Care	-	750
TURN Behavioral Health Services	-	750
United Ways of California	5,000	-
California Health Collaborative	28,412	-
	<hr/>	<hr/>
Totals	\$ 100,929	\$ 119,850

NOTE 7 – Non-Monetary Contributions

The Organization recognizes the fair value of contributed services received if such services a) create or enhance nonfinancial assets or b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed. The Organization receives services from a large number of volunteers who give significant amounts of their time to the Organization's programs, but which do not meet the criteria for financial statement recognition.

KINGS UNITED WAY
(A Non-profit Corporation)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 8 – Pension Plan

The Organization has a SIMPLE IRA retirement plan in which it will match up to 3% for all full-time employees. There is a one year waiting period with immediate vesting. The Board of Directors reserves the right to discontinue the benefit at any time without advance notice. Total pension expense for the years ended December 31, 2023 and 2022, were \$6,103 and \$4,202, respectively.

NOTE 9 – Liquidity and Availability of Resources

The Organization may receive support from restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors, therefore, financial assets may not be available for general expenditures within one year.

The following reflects the Organizations' financial assets as of December 31, 2023 and 2022, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions. Amounts available include donor-restricted amounts that are available for expenditure in the following year. Amounts available include donor-restricted amounts that are available for expenditure in the following year.

	<u>2023</u>	<u>2022</u>
Financial assets:		
Cash and cash equivalents	\$ 359,462	\$ 313,897
Certificates of deposit	308,951	102,079
Grant receivable	<u>100,929</u>	<u>119,850</u>
Total financial assets	769,342	535,826
 Financial assets available to meet cash needs for general expenditures within one year	 <u>\$ 769,342</u>	 <u>\$ 535,826</u>

NOTE 10 – Fair Value Disclosure

Accounting principles generally accepted in the United States of America require disclosure of an estimate of fair value of certain financial instruments. The Organization's significant financial instruments are cash and cash equivalents and other short-term assets. For these financial instruments, carrying values approximate fair value.

NOTE 11 – Subsequent Events

Management has evaluated subsequent events through August 23, 2024, the date the financial statements were available to be issued, and has determined that no adjustments are necessary to the amounts reported in the accompanying financial statements.

OTHER INDEPENDENT AUDITORS' REPORTS



CLOVIS | HANFORD | PORTERVILLE | TULARE | VISALIA

M. GREEN AND COMPANY LLP

CERTIFIED PUBLIC ACCOUNTANTS

**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**

Independent Auditors' Report

Board of Directors
Kings United Way

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 Kings United Way (the Organization), which comprise the statement of financial position as of December 31, 2023 and 2022, 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 August 23, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 or significant deficiencies may exist that were not identified.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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. 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 the Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

M. Green and Company UP

Visalia, California
August 23, 2024