MARJAREE MASON CENTER, INC.

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

WITH INDEPENDENT AUDITOR'S REPORT THEREON SEPTEMBER 30, 2014 and 2013 (Restated)

CONTENTS

SUPPLEMENTARY INFORMATION

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To the Board of Directors
Marjaree Mason Center, Inc.
Fresno, California

Report on the Financial Statements

We have audited the accompanying financial statements of Marjaree Mason Center, Inc. a non-profit organization, (the "Organization"), which comprises the statement of financial position as of September 30, 2014, and 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 the Organization as of September 30, 2014, 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.

Restatement

As discussed in Note 14, the prior year financial statements have been restated to re-classify fixed assets acquired with long-term debt from contributed capital.

Other Matters

Additional 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 on page 29, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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.

Report on Summarized Comparative Information

We have previously audited the Organization's September 30, 2013 financial statements, and our report dated January 27, 2014, expressed an unmodified opinion of those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2013 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have issued our report dated January 27, 2015, on our consideration of the Organization'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 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 the Organization's internal control over financial reporting and compliance.

Morse Wittwer Sampson, LLP

January 27, 2015
Fresno, California

MARJAREE MASON CENTER, INC.

STATEMENTS OF FINANCIAL POSITION
September 30, 2014 and 2013 (Restated)

ASSETS	**2014**	2013 (Restated)
Current Assets		
Cash and cash equivalents	**$ 331,988**	$ 115,456
Certificates of deposit	**206,535**	206,251
Investments in marketable securities	**1,398,211**	1,106,264
Grants receivable, net	**576,244**	564,422
Pledges receivable, net	**55,202**	-
Other receivables, net	**9,660**	9,034
Prepaid expenses	**69,656**	87,402
Deposits	**57,821**	47,893
Total current assets	**2,705,317**	2,136,722
Property and Equipment, Net	**3,297,957**	2,317,369
Construction in Progress	**7,093**	71,600
Beneficial Interest in Perpetual Trusts	**167,111**	157,509
	$ 6,177,478	$ 4,683,200

LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	**$ 332,113**	$ 89,563
Accrued expenses	**221,610**	192,188
Deferred revenue	**43,795**	28,595
Total current liabilities	**597,518**	310,346
Long-Term Debt	**1,000,000**	63,000
Total liabilities	**1,597,518**	373,346
Commitments and Contingencies	**-**	-
Net Assets		
Permanently restricted	**167,111**	157,509
Temporarily restricted	**655,921**	187,176
Unrestricted	**3,756,928**	3,965,169
	4,579,960	4,309,854
	$ 6,177,478	$ 4,683,200

See Independent Auditor's Report and Notes to Financial Statements

MARJAREE MASON CENTER, INC.

STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2014
(With Summarized Financial Information for the Year Ended September 30, 2013) (Restated)

				Totals	
	Unrestricted	Temporarily Restricted	Permanently Restricted	2014	2013 (Restated)
Revenues, Gains, and Other Support					
Grants and contracts	$ 1,891,149	$ -	$ -	**$ 1,891,149**	$ 2,018,990
Contributions	549,308	919,781	-	**1,469,089**	586,274
In-kind donations	302,354	-	-	**302,354**	752,658
Special events	128,979	-	-	**128,979**	86,876
Program fees	208,310	-	-	**208,310**	210,960
Legacies and bequests	56,195	-	-	**56,195**	40,086
Earned loan forgiveness	-	-	-	**-**	496,749
Unrealized gain in fair value of investments	58,753	-	-	**58,753**	1,889
Unrealized gain in fair value of perpetual trusts	-	-	9,602	**9,602**	4,290
Interest and dividend income	340	-	-	**340**	1,083
Gain on sale of property and equipment	700	-	-	**700**	110,315
Total revenues, gains, and other support	3,196,088	919,781	9,602	**4,125,471**	4,310,170
Net assets released from restrictions:					
Restrictions satisified by payment of related expenses	451,036	(451,036)	-	**-**	-
Total revenues, gains, and other support after net assets released from restrictions	3,647,124	468,745	9,602	**4,125,471**	4,310,170
Expenses					
Program	3,237,564	-	-	**3,237,564**	3,011,516
Supporting services	466,390	-	-	**466,390**	432,670
Fundraising	142,429	-	-	**142,429**	72,569
Total expenses	3,846,383	-	-	**3,846,383**	3,516,755
Increase (Decrease) in Net Assets	$ (199,259)	$ 468,745	$ 9,602	**$ 279,088**	$ 793,415

See Independent Auditor's Report and Notes to Financial Statements.

MARJAREE MASON CENTER, INC.

STATEMENT OF CHANGES IN NET ASSETS
For the Year Ended September 30, 2014
(With Summarized Financial Information for the Year Ended September 30, 2013) (Restated)

	Unrestricted	Temporarily Restricted	Permanently Restricted	2014	2013 (Restated)
Net Assets, Beginning of Year	$ 3,965,169	$ 187,176	$ 157,509	**$ 4,309,854**	$ 3,566,725
Increase (Decrease) in Net Assets	(199,259)	468,745	9,602	**279,088**	793,415
Contribution of Grant Funded Assets	40,511	-	-	**40,511**	1,500
Depreciation on Grant Funded Assets	(49,493)	-	-	**(49,493)**	(51,786)
Net Assets at End of Year	$ 3,756,928	$ 655,921	$ 167,111	**$ 4,579,960**	$ 4,309,854

See Independent Auditor's Report and Notes to Financial Statements.

MARJAREE MASON CENTER, INC.

STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended September 30, 2014
(With Summarized Financial Information for the Year Ended September 30, 2013) (Retsated)

	Program	**Supporting**	**Fundraising**	**Total**	2013 (Restated)
Accounting and legal	$ 6,750	$ 12,250	$ -	**$ 19,000**	$ 19,000
Advertising	50	-	1,800	**1,850**	4,927
Bad debt expense	-	-	-	**-**	5,274
Bank charges	35	750	-	**785**	103
Computer services	6,679	19,301	435	**26,415**	25,382
Conferences, conventions and meetings	29,391	6,775	21,880	**58,046**	51,682
Depreciation	181,254	31,330	947	**213,531**	169,170
Donated services and supplies	260,069	3,695	16,294	**280,058**	246,383
Dues and subscriptions	5,124	1,775	679	**7,578**	7,177
Employee benefits	569,694	57,564	6,479	**633,737**	539,702
Equipment rental, repairs and maintenance	186,156	29,289	21,073	**236,518**	209,087
Food	19,622	897	-	**20,519**	28,875
Insurance	33,741	9,780	-	**43,521**	38,856
Interest	-	-	-	**-**	14,468
Miscellaneous	5,793	180	-	**5,973**	1,549
Office expense	7,026	10,709	2,059	**19,794**	25,953
Printing	3,009	1,642	3,767	**8,418**	16,094
Professional fees	15,476	44,492	13,206	**73,174**	67,384
Program supplies	41,318	559	8,170	**50,047**	30,259
Rent	44,723	-	6,817	**51,540**	51,179
Salaries	1,718,475	201,244	38,573	**1,958,292**	1,835,666
Security	2,270	900	-	**3,170**	3,294
Taxes and licenses	425	81	-	**506**	1,355
Utilities	100,484	33,177	250	**133,911**	123,936
	$ 3,237,564	$ 466,390	$ 142,429	**$ 3,846,383**	$ 3,516,755

See Independent Auditor's Report and Notes to Financial Statements.

MARJAREE MASON CENTER, INC.

STATEMENTS OF CASH FLOWS
For the Years Ended September 30, 2014 and 2013 (Restated)

	2014	2013 (Restated)
Cash Flows From Operating Activities:		
Increase in net assets	**$ 279,088**	$ 793,415
Adjustment to reconcile increase in net assets to net cash provided by (used in) operating activities:		
Depreciation	**213,531**	169,170
Donations of property and equipment	**(22,296)**	(506,459)
Bad debt expense	**-**	5,274
Gain on disposal of property and equipment	**(700)**	(110,315)
Earned loan forgiveness	**-**	(496,749)
Unrealized gain in fair value of investments	**(58,753)**	(1,889)
Unrealized gain in fair value of perpetual trusts	**(9,602)**	(4,290)
Changes in operating assets and liabilities:		
(Increase) decrease in grants receivable	**(11,822)**	(238,490)
(Increase) decrease in other receivables	**(55,828)**	4,721
(Increase) decrease in prepaid expenses	**17,746**	(29,011)
(Increase) decrease in deposits	**(9,928)**	(12,569)
Increase (decrease) in accounts payable	**242,550**	39,711
Increase (decrease) in accrued expenses	**29,422**	6,842
Increase (decrease) in deferred revenue	**15,200**	(43,109)
Net cash provided by (used in) operating activities	**628,608**	(423,748)
Cash Flows From Investing Activities:		
Payments for construction in progress	**(7,094)**	(71,600)
Purchase of property and equipment	**(1,109,204)**	(270,623)
Purchase of investments	**(236,294)**	(243,375)
Proceeds from sale of investments	**3,100**	215,031
Proceeds from sale of property and equipment	**700**	130,000
Purchases of certificiates of deposit	**(206,535)**	(206,251)
Maturities of certificates of deposit	**206,251**	307,048
Net cash used in investing activities	**(1,349,076)**	(139,770)
Cash Flows From Financing Activities:		
Borrowings of long-term debt	**937,000**	63,000
Net cash provided by financing activities	**937,000**	**63,000**
Net Increase (Decrease) in Cash and Cash Equivalents	**216,532**	(500,518)
Cash and Cash Equivalents, Beginning of Year	**115,456**	615,974
Cash and Cash Equivalents, End of Year	**$ 331,988**	$ 115,456
Non-Cash Investing and Financing Activities:		
Grant-funded assets	**$ 40,511**	$ 1,500
Depreciation on grant-funded assets	**$ 49,493**	$ 51,786
Construction in progress reclassified to property and equipment	**$ 71,600**	$ -

See Independent Auditor's Report and Notes to Financial Statements

Note 1. Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities: Marjaree Mason Center, Inc., (the "Organization") is a California nonprofit corporation, which 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, County of Fresno, U.S. Department of Housing & Urban Development ("HUD"), California Office of Emergency Services ("CalOES"), First 5 of Fresno County, and the State of California.

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: These 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.
>
> 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 restriction expires, that is, when a stipulated time restriction ends 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. The Organization had temporarily restricted net assets of $655,921 and $187,176 at September 30, 2014 and 2013, respectively.
>
> Permanently Restricted: These 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 $167,111 and $157,509 at September 30, 2014 and 2013, 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.

Note 1. Nature of Activities and Summary of Significant Accounting Policies (Continued)

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 (3) 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.

During the year ended September 30, 2014 the Organization acquired two (2) certificates of deposit from two financial institutions in the amount of $206,535, which are covered under the same FDIC coverage. At September 30, 2014, uninsured cash and cash equivalents totaled $53,169, at September 30, 2013 there were no uninsured cash and cash equivalent 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 $100,000 of cash).

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, 2014 and 2013, management considered all accounts to be fully collectible, and therefore, no allowance was recorded in the accompanying financial statements.

The Organization grants credits 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, 2014 and 2013 amounted to $55,202 and $0, respectively and are all due within one year and considered fully collectible.

Note 1. Nature of Activities and Summary of Significant Accounting Policies (Continued)

Property and Equipment: It is the Organization's policy to capitalize property and equipment over $500. 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:

	Years
Buildings and improvements	5 - 40
Furnishings, equipment and vehicles	5 - 10

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 events 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 non-cash assets are utilized by the Organization in providing services and are recorded at their fair values in the period received. Contributions of non-cash assets received for fundraising events (such as catering, entertainment, etc.) are not recorded in the accompanying financial statements. In addition, contributions of non-cash 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 non-financial 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 non-specialized 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. There were no capitalized costs. Advertising costs expensed during the years ended September 30, 2014 and 2013 amount to $1,850 and $4,927, respectively.

Note 1. Nature of Activities and Summary of Significant Accounting Policies (Continued)

Exchange Transactions: Revenues earned from contracts and grants with County, State and Federal agencies are considered to be 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.

The federal and state income tax returns of the Organization have not been examined by the respective taxing authorities. Federal income tax returns for the years subsequent to 2009 are open for examination. State income tax returns for the years subsequent to 2010 are open to examination.

Summarized Comparative Information: The accompanying financial statements include certain prior year summarized comparative information in total but not by net asset class. 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 year ended September 30, 2013, from which the summarized information was derived.

Restatement: As more fully described in Note 14, the 2013 financial statements have been restated to re-classify fixed assets acquired with long-term debt from contributed capital.

Reclassification: Certain amounts have been reclassified in the 2013 financial statements to conform with the current year presentations.

Note 2. Grants Receivable

Grants receivable consisted of the following at September 30:

	2014	2013
California Housing and Community Development	$ 198,816	$ 63,000
City of Fresno	134,000	-
California Office of Emergency Services	96,186	109,864
U.S. Department of Housing and Urban Development	84,583	273,978
First 5 of Fresno County	35,670	54,552
Medi-Cal	13,538	10,413
Victims of Crime	9,579	729
Fresno County EOC	3,687	6,249
Fresno Police Department	185	9,125
County Emergency Solutions Grant	-	22,027
County CAPIT	-	7,878
County HRAB	-	6,607
	$ 576,244	$ 564,422

Note 3. Property and Equipment

Property and equipment consisted of the following at September 30:

	2014	2013
Building and land improvements	$ 4,429,849	$ 3,320,077
Leasehold improvements	571,887	546,952
Equipment	329,168	405,505
Buildings	660,387	660,387
Furniture and fixtures	146,007	150,837
Vehicles	134,523	79,988
Land	29,064	29,064
	6,300,885	5,192,810
Less: accumulated depreciation	(3,002,928)	(2,875,441)
	$ 3,297,957	$ 2,317,369
Construction in progress	$ 7,093	$ 71,600

Note 3. Property and Equipment (Continued)

Construction in progress at September 30, 2014 and 2013 consisted of expenditures on the remodel of the Fresno shelter. The remodel project was completed in October of 2014 with no additional costs. There was no interest capitalized at September 30, 2014 and 2013.

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 has valued its interest in these trusts based on the fair value of the trusts' underlying assets. At September 30, balances consisted of the following:

	2014	2013
Burks' Trust (5% interest)	**$ 156,178**	$ 148,060
Nine Trust (5% interest)	**10,933**	9,449
	$ 167,111	$ 157,509

During the year endeds September 30, 2014 and 2013, the Organization's portion of unrealized gains was $9,602 and $4,290, respectively.

Note 5. Investments in Marketable Securities

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

	2014	2013
Mutual Funds		
James Balance Golden Rainbow Retail CL	**$ 130,259**	$ 74,682
MFS Research Bond CL A	**120,244**	68,864
Lord Abbett Short Duration Inc. CL C	**110,982**	108,760
Fidelity Advisor Emerging Markets Inc. CL A	**88,766**	63,015
Templeton Global Bond CL A	**81,626**	79,718
Matthews Asia Dividend Investor CL	**80,968**	50,287
Alliance Bernstein High Income CL A	**80,027**	79,772
JP Morgan Equity Income CL A	**77,283**	35,997
BlackRock Global Dividend CL A	**73,537**	36,297
Janus High Yield CL A	**67,527**	68,643
Fidelity Advisor Strategic Income CL A	**62,043**	63,655
Franklin Strategic Income CL A	**58,936**	58,936
Oppenheimer Global Strategic Income CL A	**57,240**	57,240
Legg Mason BW Global	**57,288**	55,918
Franklin Income CL A	**48,634**	-
Columbia Emerging Markets Bond	**44,819**	45,097
Dreyfus International Bond CL A	**46,293**	44,892
AIM Invesco Balanced Risk Allocation CL A	**34,046**	35,330
American Century Diversified Bond	**32,016**	31,719
Pimco Total Return CL D	**25,666**	25,548
Permanent Portfolio	**20,011**	21,894
	$ 1,398,211	$ 1,106,264

During the years ended September 30, 2014 and 2013, dividend income reinvested into mutual funds was approximately $51,000 and $38,000, respectively. During the years ended September 30, 2014 and 2013, unrealized gains were approximately $59,000 and $1,900, respectively. During the years ended September 30, 2014 and 2013, proceeds from the sales of investments were approximately $3,000 and $215,000, 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: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, and Level 3 inputs are unobservable and have the lowest priority. 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 Plan. 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.

Note 6. Fair Value Measurements (Continued)

Level 1 Fair Value Measurements

The fair value of mutual funds is based on quoted net asset values 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 net asset value ("NAV") of the private investment. The NAV is based on the underlying assets in the trust, which consist of common stocks and mutual funds. The use of NAV as fair value is deemed appropriate as the private investments do not have finite lives, unfunded commitments relating to these types of investments, or significant restrictions on redemptions.

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

The following table sets forth by level, within the fair value hierarchy, the Organization's assets measured at fair value on a recurring basis as of September 30, 2014:

	Assets at Fair Value as of September 30, 2014			
	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Blended Bond	$ 435,778	$ -	$ -	$ 435,778
International Bond	342,472	-	-	342,472
Domestic Bond	284,825	-	-	284,825
Balanced Fund	130,259	-	-	130,259
Blended Asset	54,057	-	-	54,057
Blended Stock	73,537	-	-	73,537
Domestic Stock	77,283	-	-	77,283
Total mutual funds	1,398,211	-	-	1,398,211
Beneficial Interest in Perpetual Trusts	-	167,111	-	167,111
Total assets at fair value	$ 1,398,211	$ 167,111	$ -	$ 1,565,322

Note 6. Fair Value Measurements (Continued)

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, 2013:

	Assets at Fair Value as of September 30, 2013			
	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Blended Bond	$ 384,385	$ -	$ -	$ 384,385
International Bond	283,009	-	-	283,009
Domestic Bond	234,670	-	-	234,670
Balanced Fund	74,682	-	-	74,682
Blended Asset	57,224	-	-	57,224
Blended Stock	36,297	-	-	36,297
Domestic Stock	35,997	-	-	35,997
Total mutual funds	1,106,264	-	-	1,106,264
Beneficial Interest in Perpetual Trusts	-	157,509	-	157,509
Total assets at fair value	$ 1,106,264	$ 157,509	$ -	$ 1,263,773

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, 2014 and 2013, 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 credit line, which is secured by a second trust deed on real property, provides for monthly interest payments at prime plus .50%. At September 30, 2014 the effective interest rate was 5.0%. The line of credit matures July 31, 2015. At both September 30, 2014 and 2013, 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:

	2014	2013 Restated
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%. Repayment is deferred as long as the property is used as an emergency shelter or transitional housing. The term of the loan is seven years which expires September 2021. After the loan term ends, 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.	**$ 1,000,000**	$ 63,000

Note 9. Obligations Under Operating Leases

The Organization leases a house in Reedley from the City of Reedley under a non-cancelable ten-year operating lease, which terminates July 2022. The triple net lease agreement calls for an annual lease payment of $1. The Organization has determined the fair value of the monthly lease payments to be $1,800 as of September 30, 2014. The Organization leases office space in Fresno for the Batterers Intervention Program under an operating lease. Monthly lease payments are approximately $3,575 with terms that end September 30, 2015. The Organization leases property in Clovis payable to the Clovis Community Development Agency in annual payments of $100 through March 2066. The Organization leases office equipment under various leases. Monthly lease payments range from approximately $54 to $1,400, with terms ending from July 2017 to October 2019.

Note 9. Obligations Under Operating Leases (Continued)

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

Year Ending September 30,	Amount
2015	$ 60,209
2016	17,333
2017	7,659
2018	749
2019	749
Thereafter	4,658
	$ 91,357

Rent expense under operating leases for the years ended September 30, 2014 and 2013, respectively, was approximately $66,790 and $75,800.

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:

	2014	2013
Shelter, Food, and Supplies for Clients and Children	**$ 204,458**	$ 8,983
Education and Outreach	**201,099**	26,251
Facilities Maintenance	**86,608**	1,719
Clovis Shelter	**86,442**	135,632
Programs and Counseling	**50,000**	14,591
Auto Maintenance	**26,988**	-
Reedley Shelter	**326**	-
	$ 655,921	$ 187,176

Note 11. Retirement Plan

The Organization established a 401(k) Retirement Plan covering all active, full-time employees, who are age 21 or older. The Organization matched 100% of the first 2% of gross salary for the years ended September 30, 2014 and 2013. The Organization stopped matching 401(k) contributions due to budget cuts on January 1, 2014. For the years ended September 30, 2014 and 2013, contribution expense was $3,783 and $15,084, respectively, and is included in employee benefits in the accompanying statement of functional expenses.

Note 12. In-Kind Donations

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

	2014	2013
Fresno, Clovis and Reedley Shelters	**$ 135,150**	$ 160,905
Trained Volunteers	**128,165**	91,753
Patton Air Conditioning	**17,296**	-
MJR Creative Group	**16,743**	-
Donated Other Services	**9,670**	14,145
Metropolitan Builders	**5,000**	-
Clovis Building	**-**	500,000
	$ 312,024	$ 766,803

Included in the above totals are $9,670 and $14,145, respectively, for the years ended September 30, 2014 and 2013, which are non-specialized services and therefore not required to be recorded in the accompanying statement of activities.

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, 2014 and 2013 comprise approximately 59% and 54%, respectively, of total unrestricted revenue. The following is a summary of the percentage of total grants and contracts received from each of the agencies for the year ended September 30, 2014:

Granting and Contracting Agency	Amount	Percentage
Department of Housing and Urban Development	$ 801,766	42%
California Office of Emergency Services	404,938	21
County of Fresno Less ($33,485)	202,117	11
City of Fresno	165,620	9
First 5 of Fresno County	153,091	8
Other Contracts	98,226	5
Fresno County EOC	28,968	2
California Health Collaborative	23,817	1
Federal Emergency Management Agency	12,606	1
	$ 1,891,149	100%

Note 14. Restatement

The 2013 financial statements were restated to re-classify grant funded assets in the amount of $63,000 from contributed capital net assets to long-term debt. Accordingly, unrestricted net assets was reduced from $4,028,169 to $3,965,169 and long-term debt was increased from $0 to $63,000.

Note 15. Subsequent Events

The date to which events occurring after September 30, 2014, the date of the most recent statement of financial position, have been evaluated for possible adjustment to the financial statements or disclosure is January 27, 2015, which is the date on which the financial statements were available to be issued. The following subsequent events occurred prior to the issuance of the financial statements.

During October 2014, the Marjaree Mason Center received a restricted pledge of approximately $100,000 for domestic violence crisis support in rural communities for the 2015 fiscal year.

SINGLE AUDIT SECTION

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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
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 non-profit Organization (the "Organization"), which comprise the statement of financial position as of September 30, 2014, and 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 January 27, 2015.

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) 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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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. We consider the item 2014-1 as described in the accompanying schedule of findings and questioned costs to be a significant deficiency.

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 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.

Organization's Response to Findings

The Organization's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 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.

Morse Wittwer Sampson, LLP

January 27, 2015
Fresno, California

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Board of Directors
Marjaree Mason Center, Inc.

Report on Compliance for Each Major Federal Program

We have audited Marjaree Mason Center, Inc.'s, a non-profit Organization (the "Organization"), compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended September 30, 2014. The Organization's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 the Organization'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 each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

Basis for Qualified Opinion on the Major Federal Program

As described in the accompanying schedule of findings and questioned costs, we were unable to obtain sufficient appropriate evidence supporting the compliance of the Organization with CDFA 14.235 Department of Housing and Urban Development – Supportive Housing as described in finding number 2014-1, consequently we were unable to determine whether the Organization complied with those requirements applicable to that program.

Qualified Opinion on the Major Federal Program

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the Organization complied, in all material respects, with the types of compliance requirements to above that could have a direct and material effect on CDFA 14.235 Department of Housing and Urban Development – Supportive Housing for the year ended September 30, 2014.

Other Matters

The Organization's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the Organization 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 the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 the Organization'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance as described in the accompanying schedule of findings and questioned costs as item 2014-1 that we consider to be a significant deficiency.

The Organization's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Morse Wittwer Sampson, LLP

January 27, 2015
Fresno, California

MARJAREE MASON CENTER, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2014

Pass-through Grantor/Federal Grantor/Program Title	Federal CFDA #	Award Number	Program or Award Amount	Total Costs Expended
Department of Housing and Urban Development				
HUD Reedley- Supportive Housing	14.235	CA0768L9T141204	$ 293,323	$ 247,658
HUD Reedley- Supportive Housing	14.235	CA0768L9T141305	293,323	48,153
Project Next Step- Supportive Housing	14.235	CA0767B9T1411003	108,086	14,061
Project Next Step- Supportive Housing	14.235	CA0767L9T141204	108,145	71,485
Downtown Transition- Supportive Housing	14.235	CA0842L9T141205	224,280	113,373
Downtown Transition- Supportive Housing	14.235	CA0842L9T141302	224,280	94,651
HUD Clovis- Supportive Housing	14.235	CA0974B9T141000	445,000	212,385
				801,766
Federal Emergency Management Agency				
Emergency Food and Shelter Program - Phase 31	97.024	046400-003	12,606	12,606
California Office of Emergency Services				
Domestic Violence Assistance Program (VOCA)	16.588	DV13271257	203,646	135,340
Domestic Violence Assistance Program (VAWA)	16.588	DV14281257	203,646	64,599
				199,939
Pass-through from Department of Housing and Urban Development				
County of Fresno- ESG	14.231	A-13-073	150,000	63,419
County of Fresno- CDBG	14.218	A-12-342	38,995	24,870
City of Fresno - ESG	14.231	N/A	122,000	122,000
City of Fresno - CDBG	14.218	N/A	59,000	12,000
				222,289
		Grand Total		**$ 1,236,600**

See Independent Auditor's Report.

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Marjaree Mason Center, Inc. (the "Organization") under programs of the federal government for the year ended September 30, 2014. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. 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.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Relationship to Federal Financial Reports

Information included in the accompanying Schedule of Federal Awards is in substantial agreement with the information reported in the related federal financial reports submitted to funding agencies.

MARJAREE MASON CENTER, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2014

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued:	Unmodified			
Internal control over financial reporting:				
Material weakness(es) identified?		Yes	x	No
Significant deficiency(s) identified that are not considered to be material weaknesses?		Yes	x	No
Noncompliance material to financial statements noted?		Yes	x	No

FEDERAL AWARDS

Internal control over major programs:				
Material weakness(es) identified?		Yes	x	No
Significant deficiency(s) identified that are not considered to be material weaknesses?	x	Yes		No
Type of auditor's report issued on compliance for major programs:	Qualified			
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	x	Yes		No

Identification of major programs:

Department of Housing & Urban Development - 14.235

Dollar threshold used to distinguish between Type A and Type B programs:	$300,000			
Auditee qualified as "low-risk auditee"?		Yes	x	No

SECTION II - FINANCIAL STATEMENT FINDINGS

TYPES OF FINDINGS:

In-Eligible Operating Costs

2014-1

FINDING: We noted five instances where proper supervisor review and approval of the employee's time cards and functional/program time allocation spreadsheets was not evident.

CRITERIA: The Supportive Housing Program states that operating costs are those costs associated with day-to-day physical operation of supportive housing facilities. To support the operating costs related to staff salaries, the Organization will need to retain documentation, such as time sheets, to show how the costs were assigned.

EFFECT: There is a risk that employees may have allocated time and ultimately cost to programs that were not applicable to the services performed.

QUESTIONED COSTS: Likely questioned costs for non-approved time cards totalled $24,864, which included the stratified error, extrapolated from the total sample size of the major program payroll expenses.

RECOMMENDATION: Internal controls should be in place where all payroll time cards and functional/program time allocation spreadsheets is required to be reviewed and approved by a supervisor or management and is separated from the individual being paid.

CORRECTIVE ACTION PLAN/RESPONSE: Supervisors are to review employee timesheets for accuracy including hours, leave balance and functional allocations. Supervisors are then to sign the first and second page of the timesheet certifying accuracy. Timesheets from supervisors are due to the Finance department by 2:00 pm on the 1st and 16th of the month. The Accounting Specialist will review all timesheets for accuracy including labor allocations, leave hours, signatures, meal penalties, and hours worked. The Accounting Specialist will then process all timesheets. If a timesheet has not been completed correctly, the Accounting Specialist will allocate the hours for that timesheet to the general fund- unallocated payroll (Source Code 90000).

SECTION III - FEDERAL AWARD FINDINGS & QUESTIONED COSTS

TYPES OF FINDINGS:

In-Eligible Operating Costs

2014-1

FINDING: We noted five instances where proper supervisor review and approval of the employee's time cards and functional/program time allocation spreadsheets was not evident.

CRITERIA: The Supportive Housing Program states that operating costs are those costs associated with day-to-day physical operation of supportive housing facilities. To support the operating costs related to staff salaries, the Organization will need to retain documentation, such as time sheets, to show how the costs were assigned.

EFFECT: There is a risk that employees may have allocated time and ultimately cost to programs that were not applicable to the services performed.

QUESTIONED COSTS: Likely questioned costs for non-approved time cards totalled $24,864, which included the stratified error, extrapolated from the total sample size of the major program payroll expenses.

RECOMMENDATION: Internal controls should be in place where all payroll time cards and functional/program time allocation spreadsheets is required to be reviewed and approved by a supervisor or management and is separated from the individual being paid.

CORRECTIVE ACTION PLAN/RESPONSE: Supervisors are to review employee timesheets for accuracy including hours, leave balance and functional allocations. Supervisors are then to sign the first and second page of the timesheet certifying accuracy. Timesheets from supervisors are due to the Finance department by 2:00 pm on the 1st and 16th of the month. The Accounting Specialist will review all timesheets for accuracy including labor allocations, leave hours, signatures, meal penalties, and hours worked. The Accounting Specialist will then process all timesheets. If a timesheet has not been completed correctly, the Accounting Specialist will allocate the hours for that timesheet to the general fund- unallocated payroll (Source Code 90000).

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

There were no reportable audit findings in the prior fiscal year ended September 30, 2013.

SUPPLEMENTARY INFORMATION

MWS
MORSE WITTWER
SAMPSON, LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY INFORMATION

To the Board of Directors
Marjaree Mason Center, Inc.
Fresno, California

We have audited the financial statements of Marjaree Mason Center, Inc., a non-profit corporation, as of and for the year ended September 30, 2014, and have issued our report thereon dated January 27, 2015, which expressed an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 37 - 39, which is the responsibility of management, is presented for purposes of additional analysis and is not required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

Morse Wittwer Sampson, LLP

January 27, 2015
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MARJAREE MASON CENTER, INC.

COMBINING SCHEDULE OF REVENUE, SUPPORT, AND EXPENSES
For the Year Ended September 30, 2014
(With Summarized Financial Information for the Year Ended September 30, 2013) (Restated)

	County CDBG/ESG	Housing and Urban Development	California Office of Emergency Services	Fresno Police Department	First 5 Fresno County
Revenues, Gains and Other Support					
Grants and contracts	$ 88,289	$ 801,765	$ 404,938	$ 31,620	$ 153,091
Contributions	-	-	-	-	-
Donated services and supplies	-	-	-	-	-
Special events	-	-	-	-	-
Program fees	-	-	-	-	-
Legacies and bequests	-	-	-	-	-
Realized gain (loss) in fair value of assets	-	-	-	-	-
Unrealized gain (loss) in fair value of assets	-	-	-	-	-
Interest income	-	-	-	-	-
Gain (loss) on sale of assets	-	-	-	-	-
Total revenues, gains and other support	88,289	801,765	404,938	31,620	153,091
Expenses					
Accounting and legal	-	1,250	5,500	-	-
Advertising	-	-	-	-	-
Bad debt expense	-	-	-	-	-
Bank charges	-	-	-	-	-
Computer services	-	7,130	5,479	-	-
Conferences, conventions, and meetings	-	4,206	23	1,130	15
Depreciation	-	-	-	-	-
Donated services and supplies	-	-	-	-	-
Dues and subscriptions	-	-	-	-	-
Employee benefits	15,674	158,262	84,413	5,843	39,170
Equipment rental, repairs and maintenance	14,833	90,026	23,208	1,229	382
Food	-	1,333	2,997	-	-
Insurance	784	17,219	1,078	-	-
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Office expense	-	1,261	3,523	-	1,914
Printing	-	43	568	-	-
Professional fees	-	1,616	127	-	-
Program supplies	-	6,117	6,892	-	2,510
Rent	-	33	-	-	-
Salaries	44,463	448,484	254,899	25,200	106,217
Security	1,110	1,978	-	-	-
Taxes and licenses	-	-	-	-	-
Utilities	11,425	62,807	16,231	512	2,883
Total expenses	88,289	801,765	404,938	33,914	153,091
Increase in Net Assets	$ -	$ -	$ -	$(2,294)	$ -

See Independent Auditor's Report on Supplmentary Information.

MARJAREE MASON CENTER, INC.

COMBINING SCHEDULE OF REVENUE, SUPPORT, AND EXPENSES
For the Year Ended September 30, 2014
(With Summarized Financial Information for the Year Ended September 30, 2013) (Restated)

	Marriage License Fees	County CAPIT	Fresno County EOC	City CDBG/ESG
Revenues, Gains and Other Support				
Grants and contracts	$ -	$ 113,828	$ 28,968	$ 134,000
Contributions	142,469	-	-	-
Donated services and supplies	-	-	-	-
Special events	-	-	-	-
Program fees	-	-	-	-
Legacies and bequests	-	-	-	-
Earned loan forgiveness	-	-	-	-
Realized gain (loss) in fair value of assets	-	-	-	-
Unrealized gain (loss) in fair value of assets	-	-	-	-
Interest income	-	-	-	-
Gain (loss) on sale of assets	-	-	-	-
Total revenues, gains and other support	142,469	113,828	28,968	134,000
Expenses				
Accounting and legal	4,000	-	-	-
Advertising	-	-	-	-
Bad debt expense	-	-	-	-
Bank charges	-	-	-	-
Computer services	6,722	-	-	-
Conferences, conventions, and meetings	182	2,119	214	-
Depreciation	-	-	-	-
Donated services and supplies	-	-	-	-
Dues and subscriptions	-	250	-	-
Employee benefits	23,336	23,511	5,585	16,781
Equipment rental, repairs and maintenance	18,014	-	-	41,443
Food	1,516	-	-	-
Insurance	21,204	91		-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
Office expense	1,270	381	40	-
Printing	-	395	-	-
Professional fees	6,189	-	-	-
Program supplies	8,072	62	-	-
Rent	-	-	-	-
Salaries	69,755	86,247	23,861	58,449
Security	-	-	-	210
Taxes and licenses	-	-	-	-
Utilities	3,674	772	256	17,117
Total expenses	163,934	113,828	29,956	134,000
Increase in Net Assets	$(21,465)	$ -	$(988)	$ -

See Independent Auditor's Report on Supplementary Information.

MARJAREE MASON CENTER, INC.

COMBINING SCHEDULE OF REVENUE, SUPPORT, AND EXPENSES
For the Year Ended September 30, 2014
(With Summarized Financial Information for the Year Ended September 30, 2013) (Restated)

		Total	
	Contributions, Program Fees & Other	**2014**	**2013 (Restated)**
Revenues, Gains and Other Support			
Grants and contracts	$ 134,650	$ 1,891,149	$ 2,018,990
Contributions	1,326,620	1,469,089	586,274
Donated services and supplies	302,354	302,354	752,658
Special events	128,979	128,979	86,876
Program fees	208,310	208,310	210,960
Legacies and bequests	56,195	56,195	40,086
Earned loan forgiveness	-	-	496,749
Unrealized gain (loss) in fair value of investments	58,753	58,753	1,889
Unrealized gain (loss) in fair value of perpetual trusts	9,602	9,602	4,290
Interest income	340	340	1,083
Gain (loss) on sale of assets	700	700	110,315
Total revenues, gains and other support	2,226,503	4,125,471	4,310,170
Expenses			
Accounting and legal	8,250	19,000	19,000
Advertising	1,850	1,850	4,927
Bad debt expense	-	-	5,274
Bank charges	785	785	103
Computer Services	7,084	26,415	25,382
Conferences, conventions, and meetings	50,157	58,046	51,682
Depreciation	213,531	213,531	169,170
Donated services and supplies	280,058	280,058	246,383
Dues and subscriptions	7,328	7,578	7,177
Employee benefits	261,162	633,737	539,702
Equipment rental, repairs and maintenance	47,383	236,518	209,087
Food	14,673	20,519	28,875
Insurance	3,145	43,521	38,856
Interest	-	-	14,468
Miscellaneous	5,973	5,973	1,549
Office expense	11,405	19,794	25,953
Printing	7,412	8,418	16,094
Professional fees	65,242	73,174	67,384
Program supplies	26,394	50,047	30,259
Rent	51,507	51,540	51,179
Salaries	840,717	1,958,292	1,835,666
Security	(128)	3,170	3,294
Taxes and licenses	506	506	1,355
Utilities	18,234	133,911	123,936
Total expenses	1,922,668	3,846,383	3,516,755
Increase in Net Assets	$ 303,835	$ 279,088	$ 793,415

See Independent Auditor's Report on Supplementary Information.