

**Audited Financial Statements
and Supplementary Information**



June 30, 2025

Quigley & Miron

1736 Family Crisis Center
Audited Financial Statements and Supplementary Information
Table of Contents
June 30, 2025

	<u>Page Number</u>
Independent Auditor’s Report	1
 Audited Financial Statements	
Statements of Financial Position.....	4
Statements of Activities.....	5
Statements of Functional Expenses	6
Statements of Cash Flows	7
Notes to Financial Statements.....	8
 Supplementary Information	
Schedule of Expenditures of Federal Awards	19
Notes to Schedule of Expenditures of Federal Awards	21
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 <i>Government Auditing Standards</i>	22
Independent Auditor’s Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance in Accordance with the Uniform Guidance	24
Schedule of Findings and Questioned Costs.....	26
Summary Schedule of Prior Audit Findings.....	27
Corrective Action Plan.....	28

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Independent Auditor's Report

Board of Directors
1736 Family Crisis Center
Los Angeles, California

Opinion

We have audited the accompanying financial statements of 1736 Family Crisis Center (Center), a nonprofit organization, which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year 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 the Center as of June 30, 2025, and the changes in its net assets and cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Center’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center’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 Matter

Supplementary Information

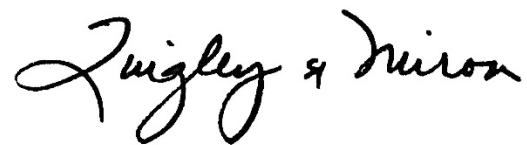
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued report dated March 23, 2026, on our consideration of the Center's internal control over financial reporting, and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center’s internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited 1736 Family Crisis Center's June 30, 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 20, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024 is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink that reads "Quigley & Diron". The signature is written in a cursive, flowing style.

Los Angeles, California
March 23, 2026

1736 Family Crisis Center
Statements of Financial Position
June 30, 2025
(with comparative totals for 2024)

	<u>2025</u>	<u>2024</u>
Assets		
Cash and cash equivalents	\$ 2,612,004	\$ 2,803,099
Investments—Note 4	290,504	263,254
Government grants receivable—Note 5	3,124,915	2,241,187
Grants and contributions receivable	50,960	29,495
Prepaid expenses and other assets	565,342	415,940
In-kind buildings and land lease—Note 6	1,021,089	1,118,467
Operating lease right-of-use asset—Note 9	78,991	260,216
Property and equipment, net—Note 7	2,575,752	2,670,739
Total Assets	\$ 10,319,557	\$ 9,802,397
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 329,111	\$ 210,352
Salaries and employee benefits payable	1,773,775	1,440,492
Grant advances—Note 8	1,116,976	755,677
Operating lease liability—Note 9	78,991	275,372
Notes payable—Note 10	898,253	848,164
Total Liabilities	4,197,106	3,530,057
Net Assets		
Without donor restrictions—Note 12	4,560,122	4,415,348
With donor restrictions—Note 13	1,562,329	1,856,992
Total Net Assets	6,122,451	6,272,340
Total Liabilities and Net Assets	\$ 10,319,557	\$ 9,802,397

See notes to financial statements.

1736 Family Crisis Center
Statement of Activities
Year Ended June 30, 2025
(with summarized comparative totals for 2024)

	Without Donor Restrictions	With Donor Restrictions	2025 Total	2024 Total
Operating Activities				
Public Support and Revenue				
Government grants	\$ 14,507,714	\$	\$ 14,507,714	\$ 12,566,016
Individual contributions	250,079		250,079	319,604
Foundation grants and corporate contributions	280,054	84,710	364,764	263,870
Community and service club contributions	22,267		22,267	93,429
In-kind contributions—Note 15	324,388		324,388	55,632
Interest and dividend income	11,090		11,090	
Net assets released from restrictions	379,373	(379,373)		
Total Public Support, Revenue, and Releases from Restrictions	15,774,965	(294,663)	15,480,302	13,298,551
Expenses				
Program services	14,054,098		14,054,098	11,683,668
Supporting services				
Management and general	1,437,732		1,437,732	1,830,063
Resource development	143,110		143,110	75,143
Total Expenses	15,634,940		15,634,940	13,588,874
Change in Net Assets From Operations	140,025	(294,663)	(154,638)	(290,323)
Non-operating Activities				
Investment return, net—Note 4	4,749		4,749	23,116
Total Nonoperating Activities	4,749		4,749	23,116
Change in Net Assets	144,774	(294,663)	(149,889)	(267,207)
Net Assets at Beginning of Year	4,415,348	1,856,992	6,272,340	6,539,547
Net Assets at End of Year	\$ 4,560,122	\$ 1,562,329	\$ 6,122,451	\$ 6,272,340

See notes to financial statements.

1736 Family Crisis Center
Statement of Functional Expenses
Year Ended June 30, 2025
(with summarized comparative totals for 2024)

	Program Services					Supportive Services		2025 Total	2024 Total
	Residential Shelters and Services	Housing Services for Veterans and Crime Victims	Runaway and Homeless Youth Shelter Services	Education, Family Source Center, and Mental Health Services	Total Program Services	Management and General	Resource Development		
Expenses									
Salaries	\$ 4,122,963	\$ 1,702,364	\$ 269,624	\$ 156,914	\$ 6,251,865	\$ 380,592	\$ 37,455	\$ 6,669,912	\$ 6,146,335
Payroll taxes and fringe benefits	1,499,923	619,316	98,089	57,085	2,274,413	136,731	13,626	2,424,770	2,182,763
Supplies for shelter and counseling operations	1,012,639	1,782,647	40,722	17,665	2,853,673	25,800	2,577	2,882,050	1,860,168
Rent, parking, and occupancy	457,398	365,934	11,904	25,838	861,074	133,521	6,717	1,001,312	960,795
Office supplies	213,036	195,680	22,495	11,786	442,997	113,031	5,746	561,774	438,977
Maintenance and repairs	396,958	120,279	31,248	5,425	553,910	5,645	593	560,148	620,343
Professional services	42,084	16,800	2,762	1,692	63,338	399,109	66,644	529,091	376,106
Insurance	187,240	74,770	11,893	7,188	281,091	15,796	1,621	298,508	254,917
Telephone	104,831	59,018	6,395	4,691	174,935	17,443	1,265	193,643	196,241
Depreciation and amortization						142,236		142,236	139,611
Utilities	93,284	23,179	14,253	1,406	132,122	128		132,250	101,697
Fees and licenses	24,285	14,840	1,750	8,879	49,754	15,079	330	65,163	69,898
Equipment lease/rental	31,503	20,217	2,126	1,684	55,530	3,176	446	59,152	52,342
Conferences and training	27,545	16,095	4,991	5,270	53,901	2,946		56,847	60,474
Interest						39,611		39,611	102,784
Printing	1,447	721	57		2,225		5,451	7,676	5,753
Postage	2,307	770	57	136	3,270	741	639	4,650	10,312
Bank fees						4,098		4,098	8,848
Dues and subscriptions						2,049		2,049	510
Total Expenses	\$ 8,217,443	\$ 5,012,630	\$ 518,366	\$ 305,659	\$ 14,054,098	\$ 1,437,732	\$ 143,110	\$ 15,634,940	\$ 13,588,874

* Community-Based Education and Mental Health Therapy Services include a range of counseling and other mental health services, job development, case management, legal aid, rental assistance, prevention services; these services benefit clients of the Domestic Violence Shelters, the Runaway and Homeless Youth Shelter, and the 1736 Family Crisis Community Service Centers, as well as the children, adults, and families of the general public, including military veterans.

See notes to financial statements.

1736 Family Crisis Center
Statements of Cash Flows
Year Ended June 30, 2025
(with summarized comparative totals for 2024)

	<u>2025</u>	<u>2024</u>
Cash Flows from Operating Activities		
Change in net assets	\$ (149,889)	\$ (267,207)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	142,236	139,611
In-kind building and land lease	97,378	94,503
Non-cash lease expenses	181,225	175,976
Investment gains	(4,749)	(23,116)
Changes in operating assets and liabilities:		
Government grants receivable	(883,728)	1,102,194
Grants and contributions receivable	(21,465)	17,409
Prepaid expenses and other assets	(149,402)	(11,861)
Accounts payable and accrued expenses	118,759	18,239
Salaries and employee benefits payable	333,283	(570,827)
Grant advances	361,299	(425,456)
Operating lease liability	(196,381)	(175,496)
Net Cash Provided by (Used in) Operating Activities	(171,434)	73,969
Cash Flows from Investing Activities		
Purchases of investments	(22,501)	(68,184)
Purchases of property	(47,249)	
Net Cash Used in Investing Activities	(69,750)	(68,184)
Cash Flows from Financing Activities		
Proceeds from notes payable	100,000	1,500,000
Repayment of notes payable	(49,911)	(1,553,181)
Net Cash Provided by (Used in) Financing Activities	50,089	(53,181)
Decrease in Cash and Cash Equivalents	(191,095)	(47,396)
Cash and Cash Equivalents at Beginning of Year	2,803,099	2,850,495
Cash and Cash Equivalents at End of Year	\$ 2,612,004	\$ 2,803,099
Supplementary Disclosures		
Cash paid for interest	<u>\$ 39,611</u>	<u>\$ 102,784</u>
Cash paid for taxes	<u>\$</u>	<u>\$</u>

See notes to financial statements.

1736 Family Crisis Center
Notes to Financial Statements
June 30, 2025
(with comparative totals for 2024)

Note 1—Organization

1736 Family Crisis Center (Center) is a 501(c)(3) nonprofit organization dedicated to serving residents of Los Angeles and Orange counties, and surrounding areas. Committed to restoring stability and opportunity for people in need, we provide professional support for children, families, and veterans facing challenges such as crime, abuse, homelessness, unemployment, and teen depression and suicide. Our mission is to strengthen safety, promote self-reliance, and help every individual build a secure and successful future. During the year ended June 30, 2025, the Center served approximately 11,000 children and adults through in-depth residential and clinical programs. The Center is funded by public and private sectors, including several departments of the United States federal government, the State of California, the County of Los Angeles, the City of Los Angeles, municipalities, foundations, corporations, clubs and service organizations, churches, and individuals.

Background

Overview—The Center began in 1972 as a single emergency youth shelter for runaway children and those experiencing homelessness. Services progressively expanded beyond housing and basic life necessities to include 24-hour emergency and longer-term counseling, suicide intervention, life education, educational/occupational support, as well as outreach and networking with schools, hospitals, police, child protection agencies, and other nonprofit organizations. Today, the Center offers comprehensive care through both residential (approximately 150 beds dependent on family composition) and non-residential services.

Corporation: The Center was incorporated as a 501(c)(3) nonprofit in 1986, separate from its parent organization of the previous 14 years (St. Cross Church). Since incorporation, the Center has strategically expanded its programs and geographic footprint.

Executive Management and Staffing—The Center has had one CEO/Executive Director since 1984, Carol Adelfkoff, who has provided consistent management and oversight to 24-hour service delivery. Under Ms. Adelfkoff's direction, the Center has expanded locations and program scope. The Center has grown steadily under this leadership from having an annual operating budget of \$184,000 in 1984 to approximately \$16,000,000 at the time of this writing.

The Center's service and administrative team consist of approximately 170 full-time and part-time staff. Additionally, the Center has approximately 75 volunteers, as well as interns from universities and colleges throughout Southern California.

Facilities Detail: The Center has 16 facilities and service locations throughout Los Angeles and Orange counties. The Center owns three of the facilities in which it operates, including two shelters and one clinic building. The Center's leased and owned facilities occupy approximately 50,000 square feet.

Program Services

Residential Shelters and Services—Four of the Center's six shelters serve crime survivors and their children from birth through 17 years. Programming activities help survivors overcome difficulties to promote self-sufficiency. The Center's shelters operate 24-hours per day and 7 days per week and can be reach any time of the night or day through five crisis/suicide hotlines. In 1972, the Center opened its first shelter for unaccompanied minors ages 10 through 17. In 2020, the Center opened its sixth shelter, a model program constructed from container housing, giving 24-hour care to 15 participants at a time who seek to gain self-sufficiency through the Center's extensive services. The six shelters offer 150 beds and a wide range of services including meals, job development, and other survival services.

1736 Family Crisis Center
Notes to Financial Statements—Continued

Note 1—Organization—Continued

Housing Services for Veterans and Crime Victims—The program offers support to prevent or end homelessness for veteran families. Services are available in Los Angeles and Orange counties. The program focuses on veterans returning from active duty, reservists, and chronically homeless veterans.

Runaway and Homeless Youth Shelter Services—The emergency shelter and youth program is a six-bed state-licensed shelter that offers services to children and youth ages 10 through 17. The Center's youth shelter has operated for 54 years. Shelter staff help youth develop the skills and support networks needed to achieve stability. Youth may volunteer after their stay to help other children, including through the Center's Youth Advisory Board (a volunteer group of former youth shelter clients and youth).

Education, Family Source Center, and Mental Health Services—Skills-based therapy is a core service of the Center's residential and nonresidential programs, being offered 24 hours a day at six residential locations, and during business and extended business hours at the Center's nonresidential clinic locations. Professional staff provide the services, while supervisors with decades of training are on duty round the clock to assist. Other nonresidential services include legal services, food and clothing distribution and senior services.

Note 2—Summary of Significant Accounting Policies

Financial Statement Presentation—The financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The Center's net assets are classified based on the existence or absence of donor-imposed restrictions. As such, the net assets of the Center and changes therein are presented and reported as follows:

Net assets without donor restrictions—Net assets that are not subject to donor-imposed stipulations and that may be expendable for any purpose in performing the primary objectives of the Center. These net assets may be used at the discretion of the Center's management and the Board of Directors (Board).

Net assets with donor restrictions—Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Center and/or passage of time. As the restrictions are satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying financial statements as net assets released from restrictions.

Donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restriction. When a time restriction expires or a purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions. It is the policy of the Center to record contributions that are restricted by the donor as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized.

Measure of Operations—The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of management of domestic violence shelters and various other program services, and interest income on bank balance. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

1736 Family Crisis Center
Notes to Financial Statements—Continued

Note 2—Summary of Significant Accounting Policies—Continued

Income Taxes—The Center is a nonprofit public benefit corporation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (Code). The Center is similarly exempt from California franchise tax under Section 23701(d) of the California Revenue and Taxation Code. Accordingly, no provision for federal or state income taxes is included in the financial statements. In addition, the Center has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code.

Accounting standards require an organization to evaluate its tax positions and provide for a liability for any positions that would not be considered “more likely than not” to be upheld under a tax authority examination. Management has evaluated its tax positions and has concluded that a provision for a tax liability is not necessary at June 30, 2025 and 2024. Generally, the Center’s information returns remain open for examination for a period of three (federal) or four (state of California) years from the date of filing.

Recently Adopted Accounting Principles—In June 2016 the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-13, *Credit Losses (Topic 326)*. This standard requires organizations to measure all expected credit losses for financial instruments held at the reporting date based on historical experience, current conditions, and reasonable supportable forecasts. The standard affects organizations that hold financial assets and net investments in leases that are not accounted for at fair value with changes in fair value reported in net income, including loans, debt securities, trade receivables, net investments in leases, off-balance-sheet credit exposures, reinsurance receivables, and any other financial assets not excluded from the scope that have the contractual right to receive cash. The Center adopted ASU No. 2016-13 on a retrospective basis for the year ended June 30, 2024 and noted that there was no material effect on the financial statements.

Cash and Cash Equivalents Cash—The Center considers highly liquid investments with a maturity of three months or less when purchased to be cash equivalents, except for those held for investment in the Center’s 457(b) deferred compensation retirement plan.

Investments—Investments are valued at fair market value. Investment transactions are recorded on the trade date. Unrealized gains are reported as increases or decreases in the appropriate net asset category. Investments consist of funds held for the Center’s 457(b) deferred compensation retirement plan.

Concentration of Credit Risk—Financial instruments which potentially subject the Center to concentrations of credit risk consist of cash and cash equivalents, investments in securities, and receivables.

The Center places its cash and cash equivalents with high credit quality financial institutions where the funds are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. At times, such cash balances may exceed FDIC insurance limits during the normal course of business.

Cash held in investment accounts at investment custodians is insured by the Securities Investors Protection Corporation (SIPC) up to \$250,000 and the investments in securities are insured up to \$500,000, per institution. SIPC insurance protects the custody function of the investment custodian; it does not provide protection against fluctuations in market value. Such balances are normally not in excess of the SIPC coverage limits.

While the Center is subject to credit risk to the extent any financial institution with which it conducts business is unable to fulfill contractual obligations on its behalf, the Center’s management has assessed the credit risk associated with its cash deposits and investments at June 30, 2025 and 2024 and believes it is not exposed to any significant credit risk with its cash and cash equivalents and investments.

Government grants receivable consist of balances from local, state, and federal municipalities. The Center has determined that no allowance for credit losses was necessary at June 30, 2025 and 2024.

1736 Family Crisis Center
Notes to Financial Statements—Continued

Note 2—Summary of Significant Accounting Policies—Continued

Grants and contributions receivable consist of balances from individuals, local foundations and corporations. The Center has determined that no allowance for credit losses was necessary at June 30, 2025 and 2024.

Property and Equipment—Building, furniture, fixtures and equipment, and leasehold improvements are stated at cost when purchased, or at estimated fair market value at the date of bequest or gift. Depreciation is provided using the straight-line method over the estimated useful life of the related asset, as follows:

Building	39 years
Furniture, fixtures and equipment	5-10 years
Leasehold improvements	15-39 years

Amortization of leasehold improvements is provided using the straight-line method over the shorter of the estimated useful life of the related asset or the lease term. Individual property items valued at less than \$5,000 are expensed when purchased or donated.

Contingencies—In the ordinary course of business, the Center may be involved in legal proceedings. Management believes that the outcome of any such matters existing at June 30, 2025 and 2024 will be resolved without material adverse effect on the Center’s future financial position, changes in net assets, or cash flows.

Government Grants—Revenues from government grants are reported as increases without donor restrictions as allowable expenditures under such agreements are incurred. The amounts expended in excess of reimbursements are reported as grants receivable. Amounts received in excess of amounts expended are recorded as grant advances.

In-Kind Contributions—The Center receives donations in the form of volunteer assistance and donated materials, supplies, and property and equipment. Volunteers are utilized in all areas of the Center’s operations, including legal services, public relations, professional advisory services, and general client support services. The value of volunteer services is calculated by multiplying accumulated volunteer hours by estimated fair value hourly wage rates based on the nature of the work performed. In-kind services are recorded only if the 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 provided by donation. Donated materials, supplies, and property and equipment are recorded at estimated fair market value at the date of donation.

Interest and Dividend Income—Interest and dividend income earned on investments is recognized when received and reported under public support and revenue in the statement of activities.

Functional Expenses—The costs of providing the various program and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated between the program services and supporting services benefitted. Salaries, payroll taxes and fringe benefits, supplies for shelter/counseling operations, and professional services are allocated based on time and effort. All other functional expenses are allocated directly to the program or supporting service benefitted.

Estimates—The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Reclassifications—Certain amounts in 2024 have been reclassified to conform with the 2025 financial statement presentation.

1736 Family Crisis Center
Notes to Financial Statements—Continued

Note 2—Summary of Significant Accounting Policies—Continued

Comparative Totals for 2024—The accompanying financial statements include certain prior-year summarized comparative financial information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Center’s audited financial statements for the year ended June 30, 2024, from which the summarized information was derived.

Note 3—Availability and Liquidity

The Center’s goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$3,000,000).

The following represents the availability and liquidity of the Center’s financial assets at June 30, 2025 and 2024 to cover operating expenses for the next fiscal year:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents, net of donor restrictions	\$ 2,121,724	\$ 2,139,069
Government grants receivable	3,124,915	2,241,187
Grants and contributions receivable	5,960	29,495
Current Availability of Financial Assets	<u>\$ 5,252,599</u>	<u>\$ 4,409,751</u>

The Center’s also has a \$1,000,000 line of credit, secured by investments, available to meet any unforeseen circumstances, of which \$900,000 was available to draw at June 30, 2025.

Note 4—Investments and Fair Value

In determining the fair value of assets and liabilities, the Center utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Center determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are characterized in one of the following levels:

Level 1—Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the Center at the measurement date.

Level 2—Valuations based on observable inputs (other than Level 1), such as quoted prices for similar assets at the measurement date, quoted prices in markets that are not active, or other inputs that are observable, either directly or indirectly.

Level 3—Valuations based on inputs that are unobservable and significant to the overall fair value measurement, and involve management judgment.

The Center may utilize a practical expedient for the estimation of the fair value of investments in investment companies for which the investment does not have a readily determinable fair value. The practical expedient used by the Center to value private investments is the Net Asset Value (NAV) per share, or its equivalent. In some instances, the NAV may not equal the fair value that would be calculated under fair value accounting standards. The Center had no assets or liabilities classified at NAV as a practical expedient during the years ended June 30, 2025 and 2024.

1736 Family Crisis Center
Notes to Financial Statements—Continued

Note 4—Investments and Fair Value—Continued

Fair value of assets and liabilities measured on a recurring basis at June 30, 2025 and 2024 consist of money market funds related to the deferred compensation plan described in Note 11 with Level 1 inputs, totaling \$290,504 and \$263,254, respectively.

Investment return for the years ended June 30, 2025 and 2024 consisted of unrealized gains of \$4,749 and \$23,116, respectively.

Note 5—Government Grants Receivable

Government grants receivable consist of the following at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Various local government cities and municipalities	\$ 1,630,965	\$ 1,393,720
State of California	750,029	421,747
Federal	743,921	425,720
Totals	<u>\$ 3,124,915</u>	<u>\$ 2,241,187</u>

Note 6—In-Kind Buildings and Land Lease

The Center has a lease agreement with another non-profit organization for in-kind occupancy of buildings and land through June 30, 2034.

The present value of the lease as of June 30, 2025 and 2024 was \$1,021,089 and \$1,118,467, respectively, based upon annual rental expense for comparable properties of \$129,600 and \$129,600, respectively, and a discount rate of 3%. In-kind contributions of the building and land leases value for the years ended June 30, 2025 and 2024 totaled \$37,222 and \$35,097, respectively.

Future anticipated amortization of the buildings and land lease is as follows:

<u>Year Ending June 30,</u>	
2026	\$ 100,340
2027	103,391
2028	106,536
2029	109,777
2030	113,116
Thereafter	<u>487,929</u>
Total	<u>\$ 1,021,089</u>

1736 Family Crisis Center
Notes to Financial Statements—Continued

Note 7—Property and Equipment, Net

Net property and equipment at June 30, 2025 and 2024, consists of the following:

	<u>2025</u>	<u>2024</u>
Buildings and leasehold improvements	\$ 3,071,196	\$ 3,071,196
Furniture, fixtures, and equipment	1,212,669	1,165,420
	4,283,865	4,236,616
Less accumulated depreciation	(2,989,920)	(2,847,684)
Depreciable Property and Equipment, Net	1,293,945	1,388,932
Land	1,281,807	1,281,807
Property and Equipment, Net	<u>\$ 2,575,752</u>	<u>\$ 2,670,739</u>

Total depreciation expense recorded during the years ended June 30, 2025 and 2024 was \$142,236 and \$139,611, respectively.

Note 8—Grant Advances

The Center receives advance payments on various government grants. The Center received advanced payments of \$3,604,312 and \$1,486,606 during the years ended June 30, 2025 and 2024, respectively, and recognized government grants income of \$2,443,292 and \$1,651,535, respectively, on the advances. During the year ended June 30, 2024, the Center repaid \$260,527 in grant advances for grants for which services were not fulfilled. At June 30, 2025 and 2024 the remaining balance of grant advances totaled \$1,116,976 and \$755,677, respectively.

Note 9—Operating Lease Liability

The Center conducts its operations from three owned facilities and eleven leased facilities, eight of which are currently on a month-to-month basis. Six of the leased facilities provide non-residential counseling and case management services, and one of these also contains administrative offices. Six facilities (of which four are leased) provide 24-hour residential client care. Rent expense for the years ended June 30, 2025 and 2024 was \$754,738 and \$737,214, respectively.

The Center has three leases for facilities and office equipment with terms under various lease agreements through the year ending June 30, 2028. An operating lease right-of-use asset and an operating lease liability were recorded in relation to these operating leases over twelve months using the lease terms and monthly rental amounts, and a discount rate of 2.95%, amounting to \$569,024 and \$569,024, for the years ended June 30, 2025 and 2024, respectively.

Future minimum rental commitments by year for these operating leases with remaining terms more than one year are as follows:

<u>Year Ending June 30,</u>	
2026	\$ 29,940
2027	29,940
2028	22,455
	<u>82,335</u>
Gross Rental Payments	82,335
Less effect of discounting at 2.95%	(3,344)
Operating Lease Liability	<u>\$ 78,991</u>

1736 Family Crisis Center
Notes to Financial Statements—Continued

Note 10—Notes Payable

Notes payable at June 30, 2025 and 2024 consist of the following:

	<u>2025</u>	<u>2024</u>
Revolving line of credit, bearing interest at 3.7%, requiring 60 monthly payments of principal and interest of \$4,458, maturing December 30, 2030, secured by land and buildings.	\$ 766,969	\$ 786,182
Revolving \$1,000,000 line of credit, bearing interest at 6.125%, requiring interest only payments of \$527 and maturing March 27, 2026 secured by equipment and receivables.	100,000	
Bank loan, bearing interest at 4%, requiring 119 monthly payments of principal and interest of \$2,528, with all remaining principal due on August 11, 2026, secured by land and buildings, and furniture, and equipment.	31,284	61,982
Total Notes Payable	<u>\$ 898,253</u>	<u>\$ 848,164</u>

Future principal payments due under these notes payable as of June 30, 2025 are as follows:

<u>Year Ending June 30,</u>	
2026	\$ 153,766
2027	25,321
2028	26,401
2029	27,527
2030	28,700
Thereafter	<u>636,538</u>
Total	<u>\$ 898,253</u>

Note 11—Employee Retirement Plan

The Center has a 401(k) defined contribution plan for the years ended June 30, 2025 and 2024. This plan covers all full-time employees 21 or older who have at least one full year of service. The Center's contribution is determined each year by the Board. Employees may not contribute to the plan. Expense related to the plan amounted to \$494,621 and \$490,948 for the years ended June 30, 2025 and 2024, respectively.

The Center has a deferred compensation retirement plan under 457(b) of the Internal Revenue Code, for its executive level employees.

The Board approved contributions to the plan of \$19,109 and \$20,109 for the years ended June 30, 2025 and 2024, respectively.

The cumulative 457(b) payable amounted to \$268,004 and \$263,254 at June 30, 2025 and 2024, respectively. The 457(b) activity amounted to an increase in salaries expenses of \$4,749 and \$23,116 during the years ended June 30, 2025 and 2024, respectively.

1736 Family Crisis Center
Notes to Financial Statements—Continued

Note 12—Net Assets Without Donor Restrictions

Net assets without donor restrictions at June 30, 2025 and 2024 consist of the following:

	<u>2025</u>	<u>2024</u>
Undesignated	\$ 1,735,370	\$ 1,594,609
Reserve, building, and facilities fund	2,575,752	2,670,739
Board-designated quasi-endowment fund for survivors of domestic violence	<u>249,000</u>	<u>150,000</u>
Total Net Assets Without Donor Restrictions	<u>\$ 4,560,122</u>	<u>\$ 4,415,348</u>

Board-designated net assets are voluntary board-approved segregations of net assets without donor restrictions for specific purposes, projects or investments.

The reserve, building, and facilities fund is designated to protect the Center from devastating economic or other misfortune by the allocation of cash assets for the Center’s operations, to provide a funding source during the collection period of grants receivable to ensure uninterrupted program services, and to repair, remodel, improve, equip, lease, or purchase any facilities associated with the Center. Board-designated net assets are comprised of board reserve, building, and facilities fund totaling \$2,575,752 and \$2,670,739 at June 30, 2025 and 2024, respectively.

The board-designated quasi-endowment fund (Fund) consists of funds for the Center’s programs. Earnings are to be used to help people experiencing hardship. The Fund consists of cash totaling \$249,000 and \$150,000 at June 30, 2025 and 2024, respectively. The Board is currently evaluating an investment policy for the board-designated quasi-endowment and distribution of earnings.

Note 13—Net Asset with Donor Restrictions

Net assets with donor restrictions at June 30, 2025 and 2024 consist of the following:

	<u>2025</u>	<u>2024</u>
Subject to purpose restrictions:		
Shelter operations	\$ 456,530	\$ 556,530
Domestic Violence Program	33,750	
Infrastructure		62,500
Long Beach shelter		45,000
Future periods		<u>45,000</u>
Total Subject to Purpose Restrictions	<u>490,280</u>	<u>709,030</u>
Subject to time restrictions:		
In-kind buildings and land leases	1,021,089	1,118,467
Domestic Violence Program	45,000	
General operations	<u>5,960</u>	<u>29,495</u>
Total Subject to Time Restrictions	<u>1,072,049</u>	<u>1,147,962</u>
Total Net Assets with Donor Restrictions	<u>\$ 1,562,329</u>	<u>\$ 1,856,992</u>

1736 Family Crisis Center
Notes to Financial Statements—Continued

Note 13—Net Asset with Donor Restrictions

Net assets released from restrictions for the year ended June 30, 2025 and 2024 consist of the following:

	<u>2025</u>	<u>2024</u>
Satisfaction of purpose restrictions:		
Shelter operations	\$ 100,000	\$ 100,000
Infrastructure	62,500	
Long Beach shelter	45,000	
Future periods	45,000	45,000
	<u>252,500</u>	<u>145,000</u>
Total Satisfaction of Purpose Restrictions	252,500	145,000
Satisfaction of passage of time:		
In-kind buildings and land leases	97,378	94,503
General operations	29,495	1,904
	<u>126,873</u>	<u>96,407</u>
Total Satisfaction of Time Restrictions	126,873	96,407
Total Net Assets Released from Donor Restrictions	<u>\$ 379,373</u>	<u>\$ 241,407</u>

During the year ended June 30, 2014, the Center obtained a loan for the construction of a new youth center in West Los Angeles. During the same year, developments and milestones occurred which allowed the conditional non-interest-bearing loan payable to the Los Angeles Housing & Community Investment Department (Grant 114713) to be converted to a grant with donor restrictions and thus classified as net assets with donor restrictions. The restrictions are being released over a 10-year period based on social services rendered to the City of Los Angeles, which commenced when the property was placed in service in November 2017. The remaining net asset with donor restrictions balance of \$456,530 and \$556,530 at June 30, 2025 and 2024, respectively, represents the remaining services to be provided under the grant agreement. Net assets released from restrictions for each of the years ended June 30, 2025 and 2024 amounted to \$100,000 representing services provided under the grant agreement.

Note 14—Indirect Program Costs

Indirect program costs of \$304,846 and \$312,320 for the years ended June 30, 2025 and 2024, respectively, were determined to be allocable to the Center's various program services and have been included in the appropriate program service columns of the statement of functional expenses. Such indirect program costs can be summarized as follows:

	<u>2025</u>	<u>2024</u>
Salaries	\$ 191,141	\$ 199,647
Payroll taxes and fringe benefits	70,722	71,169
Fees and licenses	26,000	24,114
Insurance	8,754	8,440
Maintenance and repairs	2,836	3,730
Office supplies	2,824	4,912
Payroll processing fee	1,913	
Travel and parking	656	
Rent, parking and occupancy		237
Telephone		55
Equipment lease/rental		16
	<u>304,846</u>	<u>312,320</u>
Total Indirect Costs	<u>\$ 304,846</u>	<u>\$ 312,320</u>

1736 Family Crisis Center
Notes to Financial Statements—Continued

Note 15—In-Kind Contributions

For the years ended June 30, 2025 and 2024, the Center reported in-kind contributions in the statement of activities under public support and revenue, and in the statement of functional expenses under the following expense captions:

	<u>2025</u>	<u>2024</u>
Supplies for shelter and counseling operations	\$ 286,166	\$ 20,535
In-kind occupancy	37,222	35,097
Professional services	1,000	
Total In-Kind Contributions	<u>\$ 324,388</u>	<u>\$ 55,632</u>

The Center recognized in-kind supplies for shelter and counseling operations without donor restrictions at costs incurred by donor for various supplies and household goods.

The Center recognized in-kind occupancy for its Domestic Violence Shelters and Services program without donor restrictions for various facilities in the City of Los Angeles, valued at \$2.92 per square foot monthly, based on comparable market rates.

The Center recognized in-kind professional services for its Domestic Violence Shelters and Services program without donor restrictions for specialized in-kind legal services valued at fair market value at \$500 per hour. The Center did not recognize any in-kind professional services during the year ended June 30, 2024.

Note 16—Subsequent Events

Management evaluated all activities of 1736 Family Crisis Center through March 23, 2026, which is the date the financial statements were available to be issued, and concluded that no material subsequent events would require adjustment to the financial statements or disclosure in the notes to the final statements.

1736 Family Crisis Center
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Federal Grantor/ Program Title/ Pass-Through Grantor	Federal Assistance Listing Number	Grantor's Number	Grant Amount	Grant Period	Expenditures
Department of Housing and Urban Development					
<u>CDBG—Entitlement Grants Cluster</u>					
Community Development Block Grants/Entitlement Grants					
Passed through:					
City of Los Angeles	14.218	C-138895-3	\$ 305,427	07/01/24-12/31/24	\$ 233,650
	14.218	C-114713	1,206,188	07/27/13-06/30/25	556,530 *
City of Redondo Beach	14.218	2023-531	12,716	07/01/24-06/30/25	10,452
Total CDBG—Entitlement Grants Cluster ALN 14.218					800,632
HOME Investment Partnerships Program					
Passed through:					
City of Los Angeles	14.239	C-200180	163,200	01/01/25-06/30/25	148,167
Total ALN 14.239					148,167
Continuum of Care Program					
Direct award	14.267	CA0485L9D002316	531,763	07/01/24-06/30/25	531,763
Passed through:					
Los Angeles Homeless Service Authority (LAHSA)	14.267	CA0370L9D002417	146,423	02/01/25-01/31/26	73,473
	14.267	CA0370L9D002316	140,104	02/01/24-01/31/25	85,426
City of Long Beach	14.267	CA0627U9D062316	471,635	07/01/24-06/30/25	471,635
Total ALN 14.267					1,162,297
Total Department of Housing and Urban Development					2,111,096
<u>Department of Justice</u>					
Services for Trafficking Victims					
Direct award	16.320	15POVC22GG03676HT	800,000	10/01/22-09/30/25	347,068
Total ALN 16.320					347,068
Legal Assistance for Victims					
Direct award	16.524	15JOVW22GG00271LEGA	600,000	10/01/22-09/30/25	117,490
Total ALN 16.524					117,490
Crime Victim Assistance					
Passed through:					
State of California	16.575	XH24 00 0801	193,544	01/01/25-12/31/25	22,009
	16.575	XH23 02 1182	350,000	01/01/24-12/31/24	222,659
	16.575	XD24 00 0801	195,950	01/01/25-12/31/25	47,043
	16.575	XD23 02 1182	350,000	01/01/24-12/31/24	147,285
	16.575	KE24 00 0801	165,900	10/01/24-09/30/25	80,671
	16.575	KE23 02 1182	300,000	10/01/23-09/30/24	172,684
	16.575	DV24 00 0801	132,449	10/01/24-09/30/25	51,351
	16.575	DV 23 38 1182	250,474	10/01/23-09/30/24	42,212
	16.575	UV24 00 0801	108,889	01/01/25-12/31/25	13,261
	16.575	UV23 02 1182	196,906	01/01/24-12/31/24	89,475
	16.575	XL24 00 0801	118,342	01/01/25-12/31/25	6,484
	16.575	XL23 01 1182	214,000	01/01/24-12/31/24	77,003
	16.575	XE24 00 0801	120,247	01/01/25-12/31/25	22,237
	16.575	XE23 01 1182	217,444	01/01/24-12/31/24	211,440

1736 Family Crisis Center
Schedule of Expenditures of Federal Awards—Continued
Year Ended June 30, 2025

Federal Grantor/ Program Title/ Pass-Through Grantor	Federal Assistance Listing Number	Grantor's Number	Grant Amount	Grant Period	Expenditures
Department of Justice—cont'd					
County of Los Angeles	16.575	DV1-2024-XC-23060190	71,000	01/01/24-12/31/24	17,798
				Total ALN 16.575	1,223,612
				Total Department of Justice	1,688,170
Department of Veterans Affairs					
VA Supportive Services for Veteran Families Program					
Direct award	64.033	20-CA-441	\$ 2,006,831	10/01/24-09/30/25	\$ 1,593,114
	64.033	20-CA-441	2,006,831	10/01/23-09/30/24	380,839
	64.033	20-CA-441-LT	546,077	08/19/22-09/30/26	125,590
	64.033	20-CA-441SS	888,459	09/01/21-09/30/24	125,143
				Total ALN 64.033	2,224,686
				Total Department of Veterans Affairs	2,224,686
Department of Health and Human Services					
Temporary Assistance for Needy Families					
Passed through:					
County of Los Angeles	93.558	PH-004227	1,844,250	07/01/24-06/30/25	1,318,787
				Total ALN 93.558	1,318,787
Community Services Block Grant					
Passed through:					
County of Los Angeles	93.569	CSBG21-1 1DVD2101TP	45,234	01/01/25-12/31/25	25,178
	93.569	CSBG21-1 1DVD2101TP	45,234	01/01/24-12/31/24	14,489
	93.569	CSBG21-1 1SDA2101CT	15,000	01/01/25-12/31/25	8,501
	93.569	CSBG21-1 1SDA2101CT	15,000	01/01/24-12/31/24	7,608
	93.569	CSBG21-1 3DVD2101TP	51,477	01/01/25-12/31/25	25,625
	93.569	CSBG21-1 3DVD2101TP	59,795	01/01/24-12/31/24	25,733
	93.569	CSBG21-1 2DVD2101TP	105,000	01/01/25-12/31/25	54,463
	93.569	CSBG21-1 2DVD2101TP	130,000	01/01/24-12/31/24	70,422
	93.569	CSBG21-1 4DVD2101TP	50,000	01/01/25-12/31/25	28,030
	93.569	CSBG21-1 4DVD2101TP	90,000	01/01/24-12/31/24	45,845
				Total ALN 93.569	305,894
Basic Center Grant					
Direct award					
	93.623	90CY7574-02-00	199,000	09/30/24-09/29/25	150,911
	93.623	90CY7574-01-00	199,000	09/30/23-09/29/24	46,017
				Total ALN 93.623	196,928
Family Violence Prevention Services/Domestic Violence Shelter and Supportive Services					
Direct award	93.671	DV 24 00 0801	100,398	10/01/24-09/30/25	94,802
				Total ALN 93.671	94,802
				Total Department of Health and Human Services	1,916,411
				Total Federal Awards	\$ 7,940,363

*See Note D

See accompanying notes to schedule of expenditures of federal awards.

1736 Family Crisis Center
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Note A—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 the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Any negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

Note B—Indirect Cost Rate

1736 Family Crisis Center has elected not to use the de minimis indirect cost rate allowed under the Uniform Guidance.

Note C—Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of 1736 Family Crisis Center under programs of the federal government for the year ended June 30, 2025. The information in this schedule is presented in accordance with the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of 1736 Family Crisis Center, it is not intended to and does not present the financial position, changes in net assets, or cash flows of 1736 Family Crisis Center.

Note D—Net Assets with Donor Restrictions Continuing Compliance Requirements

During the year ended June 30, 2014, developments and milestones occurred regarding the construction of a new youth center in West Los Angeles which allowed the conditional non-interest-bearing loan payable to the Los Angeles Housing & Community Investment Department (Grant 114713) to be converted to a grant with donor restrictions and thus classified as net assets with donor restrictions.

As of June 30, 2025, outstanding federally-funded net assets with donor restrictions, with continuing compliance requirements, are as follows:

Federal Assistance Listing Number	Grantor's Number	Federal Program	Outstanding Net Assets With Donor Restrictions	Net Assets with Donor Restrictions with Continuing Compliance Requirements Amount
14.218	114713	CDBG-Entitlement Grants Cluster	\$ 456,530	\$ 556,530

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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*

Board of Directors
1736 Family Crisis Center
Los Angeles, California

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 1736 Family Crisis Center (Center), which comprise the statement of financial position as of June 30, 2025, 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 March 23, 2026.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Center's internal control over financial reporting 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 Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control.

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


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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Center's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the Center'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 Center's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Quigley & Diron". The signature is written in a cursive, flowing style.

Los Angeles, California
March 23, 2026

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Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance

Board of Directors
1736 Family Crisis Center
Los Angeles, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the compliance of 1736 Family Crisis Center (Center) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular *Compliance Supplement* that could have a direct and material effect on its major federal programs for the year ended June 30, 2025. The Center's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Center complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal award programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Center and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Center's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Center's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Center's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists.

The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Center's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Center's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Center's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

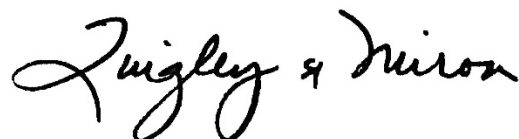
Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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



**1736 Family Crisis Center
Schedule of Findings and Questioned Costs
Year Ended June 30, 2025**

A. Summary of Audit Results

1. The auditor's report expresses an unmodified opinion on whether the financial statements of 1736 Family Crisis Center were prepared in accordance with accounting principles generally accepted in the United States of America.
2. No material weaknesses or significant deficiencies relating to internal control over financial reporting were identified during the audit.
3. No instances of noncompliance material to the financial statements of 1736 Family Crisis Center were disclosed during the audit.
4. No material weaknesses or significant deficiencies relating to internal control over major programs were identified during the audit of the major federal award programs.
5. The auditor's report on compliance for the major federal award programs of 1736 Family Crisis Center expresses an unmodified opinion.
6. There were no audit findings that required reporting in this schedule in accordance with Title 2 U.S. *Code of Federal Regulations* section 200.516(a).
7. The programs tested as major programs were the Department of Housing and Urban Development, Community Development Block Grants/Entitlement Grants, Assistance Listing No. 14.218 and 14.225; and the Department of Department of Health and Human Services, Temporary Assistance for Needy Families, Assistance Listing No. 93.558.
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. 1736 Family Crisis Center was determined to be a low-risk auditee.

B. Findings—Financial Statement Audit

None

C. Findings and Questioned Costs—Major Federal Award Programs

None

**1736 Family Crisis Center
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2025**

There were no prior year audit findings.

**1736 Family Crisis Center
Corrective Action Plan
Year Ended June 30, 2025**

As there were no audit findings or questioned costs for the year ended June 30, 2025, a corrective action plan is not required.