



Mountain Communities Family Resource Center  
County of Kern  
Frazier Park, California  
June 30, 2024

Proposition 10 - Parent Education and Support Services

Audit Report



Mountain Communities Family Resource Center  
Proposition 10 - Parent Education and Support Services  
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June 30, 2024

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## **Independent Auditor's Report**

To the Board of Directors  
Mountain Communities Family Resource Center  
Frazier Park, California 93225

### **Report on the Audit of the Financial Statements**

#### **Unmodified Opinion**

We have audited the accompanying financial statements of the Mountain Communities Family Resource Center Proposition 10 - Parent Education and Support Services, as of and for the year ended June 30, 2024, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Mountain Communities Family Resource Center Proposition 10 - Parent Education and Support Services, as of June 30, 2024, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

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 Mountain Communities Family Resource 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 opinions.

#### **Responsibilities of Management 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 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 opinions. 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 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 Mountain Communities Family Resource 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.

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.

#### **Emphasis of Matter**

As discussed in Note 1A, the financial statements present only the activity of Mountain Communities Family Resource Center Proposition 10 - Parent Education and Support Services, as of June 30, 2024, and are not intended to present fairly the financial position and the results of operations of the Mountain Communities Family Resource Center in conformity with accounting principles generally accepted in the United States of America.

Respectfully submitted,

*Linger, Peterson & Shrum*

Linger, Peterson & Shrum  
Fresno, California  
November 19, 2024

Mountain Communities Family Resource Center  
Proposition 10 - Parent Education and Support Services  
Contract Number: 2020.2.07  
Statement of Assets, Liabilities, and Fund Balance  
Year Ended June 30, 2024

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**Assets**

Cash in County Treasury	\$	(41,839)	
Accounts receivable		<u>41,839</u>	
Total Assets			\$ -

**Liabilities**

-

**Fund Balance**

\$ -

See notes to financial statements.

Mountain Communities Family Resource Center  
Proposition 10 - Parent Education and Support Services  
Contract Number: 2020.2.07  
Statement of Assets, Liabilities, and Fund Balance  
Year Ended June 30, 2024

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**Revenues**

State Grant Funds \$ 152,112

**Expenditures**

Salaries \$ 119,270  
Benefits 10,274  
Supplies 16,718  
Overhead 5,850

Total Expenditures 152,112

Excess of Revenues over Expenditures -

Fund Balance, July 1, 2023 -

Fund Balance, June 30, 2024 \$ -

See notes to financial statements.

**Note 1 - Significant Accounting Policies**

***Reporting Entity***

Proceeds and uses of the Mountain Communities Family Resource Center Proposition 10 – Parent Education and Support Services are accounted for in of the Mountain Communities Family Resource Center’s General Fund. The statements presented are for the Mountain Communities Family Resource Center Proposition 10 – Parent Education and Support Services only, and are not intended to be a complete presentation of the Center’s financial position or results of operations.

***Accounting Policies***

The Mountain Communities Family Resource Center accounts for its financial transactions of the Mountain Communities Family Resource Center Proposition 10 – Parent Education and Support Services in accordance with the policies and procedures of the Department of Education’s California School Accounting Manual. The accounting policies of the Center conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

***Basis of Accounting***

Basis of accounting refers to the timing of when revenues and expenditures are recognized in the accounts and reported in the financial statements.

The Mountain Communities Family Resource Center accounts for the proceeds and expenditures of the Mountain Communities Family Resource Center Proposition 10 – Parent Education and Support Services using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; both measurable and available. “Available” means collectible within the current period or within one year after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

***Encumbrances***

Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid. All encumbrances are liquidated as of June 30, 2024.

### ***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 expenditures during the reporting period. Actual results could differ from those estimates.

### **Note 2 - Description of Grants**

The Proposition 10 – Parent Education and Support Services (Agreement) includes several objectives. The most recent agreement term is July 1, 2020 through June 30, 2025 and provides for total funding not to exceed \$750,000. The contract number for the Agreement is 2020.2.07.

The money is granted from the tobacco tax money referred to as Proposition 10 money. This Program is a preventive, public health, well child program providing health assessments for the early detection and prevention of disease and disabilities in children. The initial activities will occur in preschool and kindergarten classes, and are for any individual who requires assistance. The goals of the Agreement are to:

- Expand and enhance access to integrated multi-disciplinary prevention.
- Increase early prenatal care and increase immunization levels.
- Increase awareness and education about health, parenting skills, and available resources.

### **Note 3 - Claimed Costs**

Claimed costs were obtained from the quarterly financial invoice and progress reports, filed with the Kern County Children and Families Commission. Such forms agreed with the Mountain Communities Family Resource Center's accounting records.

### **Note 4 - Contingencies**

The Mountain Communities Family Resource Center has received funding from the State of California, Proposition 10, to fund programs that promote, support, and improve the early development of children from prenatal through age five. These programs must be in compliance with applicable laws and may be subject to financial and compliance audits by the State. Although such audits could generate expenditure disallowances under terms of the grants, management believes that any required reimbursement will not be material.

### **Note 5 - Subsequent Events**

The Center's management evaluated its June 30, 2024 financial statements for subsequent events through the date the financial statements were available to be issued. Management is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

**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  
Mountain Communities Family Resource Center  
Frazier Park, California 93225

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the First Five Kern Parent Education and Support Services of the Mountain Communities Family Resource Center, as of and for the year ended June 30, 2024, and the related notes to the financial statements, and have issued our report thereon dated November 19, 2024.

**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 (internal control), as it pertains to the First Five Kern Parent Education and Support Services, to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control as it pertains to the First Five Kern Parent Education and Support Services. Accordingly, we do not express an opinion on the effectiveness of Center's internal control as it pertains to the First Five Kern Parent Education and Support Services.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Center's financial statements, as it pertains to the First Five Kern Parent Education and Support Services, 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, as they pertain to the First Five Kern Parent Education and Support Services, 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, as they pertain to the First Five Kern Parent Education and Support Services, are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, as they pertain to the First Five Kern Parent Education and Support Services, and not to provide an opinion on the effectiveness of the Center’s internal control or on compliance as they pertain to the First Five Kern Parent Education and Support Services. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the internal control and compliance of the Center as they pertain to the First Five Kern Parent Education and Support Services. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



Linger, Peterson & Shrum  
Fresno, California  
November 19, 2024

**Summary of Auditor's Results**

**Financial Statements**

Type of Auditor's Report issued:	Unmodified
Internal control over financial reporting:	
Material weakness identified?	No
Significant deficiency identified not considered to be a material weakness?	None reported
Noncompliance material to financial statements noted?	No

**Financial Statement Findings**

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*.

There were no financial statement findings or responses.

Mountain Communities Family Resource Center  
Proposition 10 - Parent Education and Support Services  
Contract Number: 2020.2.07  
Summary Schedule of Prior Findings  
June 30, 2024

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There were no prior year findings or responses.