Reports of Independent Auditors and Financial Statements with
Federal Awards Supplementary Information

Southern Regional Resource Center, Inc.
d/b/a Southern Caregiver Resource Center

June 30, 2024 and 2023

MOSSADAMS

Table of Contents

Report of Independent Auditors

The Board of Directors
Southern Regional Resource Center, Inc.
d/b/a Southern Caregiver Resource Center

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Southern Regional Resource Center, Inc. d/b/a Southern Caregiver Resource Center, which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Southern Regional Resource Center, Inc. d/b/a Southern Caregiver Resource Center as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 (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 Southern Regional Resource Center, Inc. d/b/a Southern Caregiver Resource Center and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Southern Regional Resource Center, Inc. d/b/a Southern Caregiver Resource Center's ability to continue as a going concern for one year after the date that the financial statements are available to be 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 Southern Regional Resource Center, Inc. d/b/a Southern Caregiver 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.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Southern Regional Resource Center, Inc. d/b/a Southern Caregiver Resource 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report November 21, 2024, on our consideration of Southern Regional Resource Center, Inc. d/b/a Southern Caregiver Resource Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Southern Regional Resource Center, Inc. d/b/a Southern Caregiver Resource Center's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Southern Regional Resource Center, Inc. d/b/a Southern Caregiver Resource Center's internal control over financial reporting and compliance.

Moss Adams LLP

San Diego, California
November 21, 2024

Financial Statements

Southern Regional Resource Center, Inc.
d/b/a Southern Caregiver Resource Center
Statements of Financial Position
June 30, 2024 and 2023

	2024	2023
ASSETS		
ASSETS		
Cash and cash equivalents	$ 1,143,928	$ 1,089,275
Accounts receivable	1,087,424	980,105
Investments	36,503	51,916
Pledges receivable	21,279	15,481
Prepaid expenses and deposits	83,995	57,801
Right-of-use assets – operating	361,287	438,566
Furniture and equipment, less accumulated depreciation	2,383	4,318
Total assets	$ 2,736,799	$ 2,637,462
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	$ 319,904	$ 143,281
Contract liabilities	20,000	22,000
Lease liability	370,895	439,366
Total liabilities	710,799	604,647
UNCERTAINTIES (Note 9)		
NET ASSETS		
Without donor restrictions	2,026,000	2,015,910
With donor restrictions	-	16,905
Total net assets	2,026,000	2,032,815
Total liabilities and net assets	$ 2,736,799	$ 2,637,462

See accompanying notes.

Southern Regional Resource Center, Inc. d/b/a Southern Caregiver Resource Center
Statements of Activities
Years Ended June 30, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Grants	$ 5,027,974	$ -	$ 5,027,974	$ 4,356,802	$ -	$ 4,356,802
Supported living services income	984,478	-	984,478	618,628	-	618,628
Contributions	114,458	-	114,458	124,428	-	124,428
Special events	29,214	-	29,214	71,890	-	71,890
Investment loss	(13,082)	-	(13,082)	(2,001)	-	(2,001)
Net assets released from restrictions	16,905	(16,905)	-	38,226	(38,226)	-
Total support and revenue	6,159,947	(16,905)	6,143,042	5,207,973	(38,226)	5,169,747
EXPENSES						
Programs						
Caregiver support services	4,694,085	-	4,694,085	3,932,902	-	3,932,902
Supported living services	945,750	-	945,750	574,472	-	574,472
General and administrative	431,944	-	431,944	471,323	-	471,323
Special events and fundraising	78,078	-	78,078	148,649	-	148,649
Total expenses	6,149,857	-	6,149,857	5,127,346	-	5,127,346
CHANGE IN NET ASSETS	10,090	(16,905)	(6,815)	80,627	(38,226)	42,401
NET ASSETS						
Beginning of year	2,015,910	16,905	2,032,815	1,935,283	55,131	1,990,414
End of year	$ 2,026,000	$ -	$ 2,026,000	$ 2,015,910	$ 16,905	$ 2,032,815

See accompanying notes.

Southern Regional Resource Center, Inc. d/b/a Southern Caregiver Resource Center
Statements of Functional Expenses
Years Ended June 30, 2024 and 2023

	2024				
	Programs				
	Caregiver Support Services	Supported Living Services	General and Administrative	Special Events and Fundraising	Total
Salaries and employee benefits	$ 2,691,079	$ 601,767	$ 365,566	$ 16,809	$ 3,675,221
Respite care and legal assistance	1,040,809	-	-	-	1,040,809
Direct program costs other	554,300	74,355	-	17,295	645,950
Professional fees	179,154	161,317	4,364	-	344,835
Office rent and utilities	123,129	67,985	41,296	896	233,305
Travel	40,165	25,035	4,463	770	70,433
Office supplies, postage, printing	40,423	8,429	13,474	4,700	67,026
Special events	-	-	-	36,818	36,818
Insurance	25,027	6,862	2,781	790	35,460
Total	$ 4,694,085	$ 945,750	$ 431,944	$ 78,078	$ 6,149,857

	2023				
	Programs				
	Caregiver Support Services	Supported Living Services	General and Administrative	Special Events and Fundraising	Total
Salaries and employee benefits	$ 2,299,787	$ 361,876	$ 436,208	$ 27,613	$ 3,125,484
Respite care and legal assistance	808,666	-	-	-	808,666
Professional fees	296,718	81,716	4,364	-	382,798
Direct program costs other	214,123	43,883	-	70,166	328,172
Office rent and utilities	213,463	70,639	23,629	2,399	310,130
Insurance	43,599	3,963	4,844	6	52,412
Travel	36,043	10,883	-	819	47,745
Special events	-	-	-	40,840	40,840
Office supplies, postage, printing	20,503	1,512	2,278	6,806	31,099
Total	$ 3,932,902	$ 574,472	$ 471,323	$ 148,649	$ 5,127,346

See accompanying notes.

Southern Regional Resource Center, Inc.
d/b/a Southern Caregiver Resource Center
Statements of Cash Flows
Years Ended June 30, 2024 and 2023

	2024	2023
OPERATING ACTIVITIES		
Change in net assets	$ (6,815)	$ 42,401
Reconciliation to net cash provided by (used in) operating activities		
Depreciation	1,935	1,934
Net realized and unrealized loss on investments	15,413	2,849
Amortization of right-of-use asset	77,279	154,463
(Increase) decrease in operating assets		
Accounts receivable	(107,319)	(226,466)
Pledges receivable	(5,798)	2,272
Prepaid expenses and deposits	(26,194)	58,543
(Decrease) increase in operating liabilities		
Accounts payable and accrued expenses	186,231	(5,159)
Contract liabilities	(2,000)	2,000
Lease liability	(68,471)	(153,663)
Deferred revenue	(9,608)	(2,400)
Net cash provided by (used in) operating activities	54,653	(123,226)
CHANGE IN CASH AND CASH EQUIVALENTS	54,653	(123,226)
CASH AND CASH EQUIVALENTS		
Beginning of year	1,089,275	1,212,501
End of year	$ 1,143,928	$ 1,089,275
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION, NON-CASH INVESTING, AND FINANCING ACTIVITIES		
Lease liability in exchange for right-of-use asset upon implementation of ASC 842	$ -	$ 148,106
Lease liability in exchange for right-of-use asset	$ -	$ 444,894

See accompanying notes.

Note 1 – Nature of Organization and Significant Accounting Policies

Southern Regional Resource Center, Inc. d/b/a Southern Caregiver Resource Center (the Center) is a California 501(c)(3) not-for-profit corporation providing programs and services to families in San Diego and Imperial Counties. Its purpose is to provide comprehensive caregiver support services to family caregivers that provide care and support to frail older adults and adults living with cognitive disorders such as Alzheimer's, Parkinson's, stroke, traumatic brain impairment, and other related conditions and disorders. Services include comprehensive assessments, care planning, ongoing consultation/case management, counseling, respite care, education and training, legal and financial consultation, community outreach, and operation of a supported living services facility. Services are available in English and Spanish.

Income tax status – The Center is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and Section 23701(d) of the California Revenue and Taxation Code. The Center had no unrecognized tax benefits or liabilities as of June 30, 2024 and 2023. The Center files an exempt organization return in the United States federal jurisdiction and with the Franchise Tax Board in the state of California.

Method of accounting – The financial statements of the Center have been prepared on the accrual basis of accounting.

Financial statement presentation – Net assets and revenue, gains, expenses, and losses are classified as net assets without donor restrictions or net assets with donor restrictions based upon the following criteria:

- *Net assets without donor restrictions* represent expendable funds available for operations which are not otherwise limited by donor restrictions.

- *Net assets with donor restrictions* consist of contributed funds, subject to specific donor-imposed restrictions, contingent upon specific performance of a future event or a specific passage of time before the Center may spend the funds. They also may be subject to irrevocable donor restrictions requiring that the assets be maintained in perpetuity, usually for generating investment income to fund current operations. There were no net assets with donor restrictions required to be maintained in perpetuity as of June 30, 2024 and 2023.

Recently adopted accounting standards – Effective July 1, 2023, the Center adopted ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (ASC 326).* This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. CECL requires an estimate of credit losses for the remaining estimated life of a financial asset using historical experience, current conditions, and reasonable and supportable forecasts and generally applies to financial assets measured at amortized cost, including loan receivables and held-to-maturity debt securities, and some off-balance-sheet credit exposures such as unfunded commitments to extend credit. Financial assets measured at amortized cost will be presented at the net amount expected to be collected by using an allowance for credit losses. The adoption of Topic 326 had no material impact to the Center's financial statements.

Cash and cash equivalents – The Center considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. The carrying amount approximates the fair value due to the short maturity.

Accounts receivable – Accounts receivable consist of amounts billed on grants and service fee contracts for services provided or expenses incurred, up to the total spending authorized under the grant through June 30.

Pledges receivable – Unconditional promises to give expected to be collected in future years are recorded at fair value when the promise is made based on a discounted cash flow model. In future years, the discounts to present value are computed using risk-free rates established in years in which those promises are received. Amortization of the discounts is included in contributions. The pledges receivable at June 30, 2024, are due during the year ending June 30, 2025; no discount was recorded.

Allowance for uncollectible pledges receivable – Management periodically reviews pledges receivable for collectability. An allowance for estimated uncollectible pledges receivable is based on past experience and on an analysis of current receivable balances. Amounts not received within 45 days are generally considered past due. Those deemed uncollectible are written off against the allowance in the year deemed uncollectible. Management has determined that all pledges receivable as of June 30, 2024 and 2023, are fully collectible.

Provision for credit losses – Certain amounts included in accounts receivable are recorded when services are provided and are presented net of provision for credit losses. The provision is based on historical experience and management's forecasts. No collateral is obtained and interest is not charged. Management determined a provision for credit losses was not necessary for accounts receivable at June 30, 2024 and 2023.

Investments – Investments are stated at fair value. The fair value of common stock is based on quotations obtained from national securities exchanges. The fair value of the certificates of deposit is determined by discounting the related cash flows based on the current yields of similar instruments with comparable durations considering the creditworthiness of the issuer. Net realized and unrealized gains and losses are reflected as increases or decreases in net assets without donor restrictions, unless their use is restricted by the donor.

For private company stock where the fair value of an investment in equity securities is not readily determinable, the Center uses the measurement alternative of cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer. The Center makes a qualitative assessment considering impairment indicators to evaluate whether the investment is impaired. Impairment indicators that the Center considers include, but are not limited to: (i) the deterioration of earnings performance, credit rating, asset quality, or business prospects of the investee; (ii) a significant adverse change in the regulatory, economic, or technological environment of the investee; and (iii) a significant adverse change in the general market condition of either the geographic area or the industry in which the investee operates. If a qualitative assessment indicates that the investment is impaired, the Center has to estimate the investment's fair value and if the fair value is less than the investment's carrying value, the Center recognizes an impairment loss equal to the difference between the carrying value and fair value.

Furniture and equipment – Furniture and equipment are stated at cost if purchased or fair value at the date of donation to the Center. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from three to five years. The Center capitalizes fixed assets of $5,000 or more. Substantially all of the fixed assets of the Center were purchased with funds from grant agreements.

Leases – The Center has adopted the following practical expedients as permitted under the transition guidance within the new standard:

- Not to separate non-lease components of leases from lease components for purposes of determining ROU asset and lease liabilities;

- To use a risk-free rate for a period comparable to the lease term where implicit interest rates are not readily available; and

- Not to recognize an ROU asset or lease liability for leases which are 12 months or less in duration.

Under Topic 842, the Center determines whether the arrangement is or contains a lease at inception and reassess its determination if terms and conditions of the arrangement are changed. All of the Center's leases have been determined to be operating leases, which have been recognized on the statement of financial position as ROU assets and lease liabilities. ROU assets represent the Center's right to use an underlying asset for the lease term, and lease liabilities represent the Center's obligation to make lease payments arising from the lease. Lease liabilities and their corresponding ROU assets are recorded based on the present value of lease payments over the expected remaining lease term. For this purpose, the Center considers only payments that are fixed and determinable at the time of commencement. The lease ROU assets also include any lease payments made and adjustments for prepayments and lease incentives. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Center will exercise that option.

The Center leases office space under agreements classified as operating leases that expire on various dates through 2028. Such leases do not require any contingent rental payments, impose any financial restrictions, or contain any residual value guarantees. Certain of the Center's leases include renewal options and escalation clauses; renewal options have not been included in the calculation of the lease liabilities and ROU assets unless the Center is reasonably certain to be exercising the options. Variable expenses generally represent payments related to the Center's share of common area expenses which are not fixed in nature and were insignificant during the year ended June 30, 2024. This means, for those leases that qualify, ROU assets or lease liabilities will not be recognized. Total rent expense recognized on these short-term leases totaled approximately $92,389 in the year ended June 30, 2024.

Revenue recognition

Grants – The policy of the Center is to recognize revenue from grants for services provided or to the extent of eligible costs incurred, up to the maximum grant amount.

Contributions – Contributions are recognized as support when conditions are met, if any, or unconditionally pledged. Contributions subject to donor-imposed restrictions for use in a future period or for a specific purpose are reported as either with or without donor restrictions. When a donor's restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as contributions without donor restrictions.

Corporate sponsorships for special events – The Center organizes various fundraising events. Proceeds received from sponsors are recognized as revenue when the event is held.

Special events – Proceeds from the various fundraising events are recognized as revenue when the event is held.

Supported living services facility – See Note 2.

Deferred revenue – Deferred revenue represents cash received in advance of performing services. There was no deferred revenue as of June 30, 2024 or 2023.

Functional allocation of expenses – The costs of providing the various programs have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Allocated costs include payroll-related costs, rent, utilities, insurance, and depreciation. These costs are allocated according to hours incurred by the employees in each of the respective programs and functions.

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, 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.

Subsequent events – Subsequent events are events or transactions that occur after the statements of financial position date but before the financial statements are issued. The Center recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statements of financial position, including the estimates inherent in the process of preparing the financial statements. The Center's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statements of financial position but arose after the statements of financial position date and before the financial statements are available to be issued.

In July 2024, a new affiliate corporation was formed, Connections for Adults Living Independently, a California nonprofit public benefit corporation. The corporation is organized and operated exclusively for charitable and educational purposes.

The Center has evaluated subsequent events through November 21, 2024, which is the date the financial statements were available to be issued.

Note 2 – Supported Living Services Facility

In June 2021, the Center opened and began operating an Supported Living Services Facility (SLS), previously called Independent Living Facility. The SLS is intended to support and promote the maximum safe independence of the individuals living at the facility, who are high-functioning adults living with brain injuries. As of June 30, 2024, there were three residents living within the SLS. FASB ASC 606, *Revenue from Contracts with Customers*, defines a performance obligation as a contractual promise to transfer a distinct good or service to a customer. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. The caregiver services provided to the residents paying directly to the Center is considered to be a single performance obligation. Residents may also pay using grant funds awarded to the Center from the state of California, which are accounted for as a contribution.

The Center generally bills monthly for services provided in the preceding month. The Center's performance completed to date under these contracts generally corresponds directly with the value provided to the customer due to the simultaneous transfer of control to the customer. As such, the Center generally recognizes SLS revenues over time in the amount to which it has the right to invoice as a practical expedient allowed under ASC 606.

The caption "contract liabilities" in the statements of financial position represents the following:

- Deferred revenue which arose from SLS customer deposits made in advance of services being provided. At the Center's discretion, these customer deposits may be applied against future monthly invoices.

The Center had accounts receivable totaling $90,651, $127,854, $83,364 related to supported living services facility for the years ended June 30, 2024, 2023 and 2022, respectively.

There were no contract assets at June 30, 2024 and 2023.

Note 3 – Liquidity and Funds Available

The Center is primarily supported by revenue generated from grants and contracts. The Center also often receives contributions from donors; however, these are not budgeted or planned for. The Center structures its financial assets to be available as general expenditures, liabilities, and other obligations become due. The Center also has a $150,000 line of credit if needed. The balance on the line of credit as of June 30, 2024 and 2023, was zero (see Note 11).

	2024	2023
Cash and cash equivalents	$ 1,143,928	$ 1,089,275
Accounts receivable	1,087,424	980,105
Investments	36,503	51,916
Pledges receivable	21,279	15,481
	2,289,134	2,136,777
Less: private company stock that is not liquid	15,000	15,000
Funds available to meet general expenditures within the next 12 months	$ 2,274,134	$ 2,121,777

Note 4 – Concentration of Credit Risk for Cash

At times, the Center maintains cash balances in banks in excess of the Federal Deposit Insurance Corporation insured limit. The Center has not experienced any losses on such accounts. See Note 5 for concentrations in accounts receivable and Note 12 for concentrations in grant revenue.

Note 5 – Accounts Receivable

Receivables are comprised of the following at June 30:

	2024	2023
California Department of Aging (CDA)	$ 325,217	$ 146,266
County HHSA – Behavioral Health Services (Calma-TLC)	163,048	188,185
California Department of Aging (CalGrows-Animation)	145,905	181,981
County HHSA – Aging and Independent Services (RSFC)	143,887	-
The Regents of the University of California (DCA)	92,400	52,800
Supported Living Services (SLS)	90,651	234,374
Learn Care Together (Caring4Cal)	56,139	-
Health Resources and Services (GWEP)	40,000	25,000
County HHSA – Aging and Independent Services (FCSP & ADRD)	30,177	83,400
County HHSA – Aging and Independent Services (RCVP)	-	68,099
Total	$ 1,087,424	$ 980,105

Note 6 – Investments

Investments consisted of the following at June 30:

	2024	2023
Common stock	$ 21,503	$ 36,916
Investment in privately held company	15,000	15,000
Total investments	$ 36,503	$ 51,916

Note 7 – Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820, *Fair Value Measurements and Disclosures*, establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets or liabilities;

Level 2 – Observable inputs other than Level 1 inputs, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following table presents the fair value of investments within the fair value hierarchy at June 30, 2024 and 2023:

	Fair Value Measurements at June 30, 2024			
	Level 1	Level 2	Level 3	Total
Common stock	$ 21,279	$ -	$ -	$ 21,503
Investment in privately held company	-	-	15,000	15,000
Total	$ 21,279	$ -	$ 15,000	$ 36,503

	Fair Value Measurements at June 30, 2023			
	Level 1	Level 2	Level 3	Total
Common stock	$ 36,916	$ -	$ -	$ 36,916
Investment in privately held company	-	-	15,000	15,000
Total	$ 36,916	$ -	$ 15,000	$ 51,916

There was no change in level 3 assets during the years ended June 30, 2024 and 2023.

Note 8 – Furniture and Equipment

Furniture and equipment consisted of the following at June 30:

	2024	2023
Office furniture and equipment	$ 92,208	$ 92,208
Computer hardware and software	89,149	89,149
	181,357	181,357
Less: accumulated depreciation	(178,974)	(177,039)
Total	$ 2,383	$ 4,318

Note 9 – Uncertainties

Grants and contracts – The Center has grants with government agencies that are subject to audit. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined. Management believes that any liability which may result from these audits would not be material. Certain grants may be terminated or reduced with 30 days' written notice to the Center in the event that funding for the agreement ceases or is reduced prior to the expiration dates of the grants.

Note 10 – Leases

The Center leases its San Diego office space and certain office equipment under leases that expire through September 2028.

The weighted-average remaining lease term and weighted-average discount rate used to calculate the present value of lease liabilities are 51 months and 4.42%, respectively, as of June 30, 2024.

The following table summarizes the maturity of the operating lease liabilities as of June 30, 2024:

2025	$ 88,638
2026	92,179
2027	95,874
2028	99,703
2029	25,836
Total lease payments	402,230
Less: imputed interest	(31,335)
Total	$ 370,895

Note 11 – Line of Credit

The Center has a $150,000 line of credit agreement with a bank which is secured by substantially all of the Center's assets. The line of credit expires when cancelled by the Center. Interest is payable monthly at the greater of prime (8.50% at June 30, 2024), plus 4.00% or 12.25% on any outstanding balances. There were no outstanding balances at June 30, 2024 and 2023.

Note 12 – Grant Revenue

For the years ended June 30, revenue from grants is comprised of:

	2024	2023
California Department of Aging (CDA)	$ 1,500,000	$ 1,500,000
County HHSA – Aging and Independent Services (FCSP & ADRD)	1,121,776	1,025,768
County HHSA – Behavioral Health Services (Calma-TLC)	1,005,586	529,216
California Department of Aging-CalGrows-Animation	523,363	181,982
County HHSA – Aging and Independent Services (RSFC)	403,676	-
County HHSA – Aging and Independent Services (RCVP)	274,351	501,656
Learn Care Together (Caring4Cal)	106,122	-
Health Resources and Services (GWEP)	40,000	25,000
The Regents of the University of California (DCA)	39,600	52,800
University of North Carolina (Cuidando Juntos)	13,000	-
Miscellaneous Other	500	-
County HHSA – Behavioral Health Services (Reach II)	-	540,380
Total	$ 5,027,974	$ 4,356,802

Note 13 – Benefit Plan

The Center has a defined contribution plan (the Plan) qualified under Section 403(b) of the IRC that allows employees who work more than 20 hours per week, after 30 days of employment, to contribute up to 20% of their salaries to the Plan, subject to annual limitations. The Center may make discretionary contributions to the Plan. The Center contributed $42,239 and $48,825 to the Plan during the years ended June 30, 2024 and 2023, respectively.

Note 14 – Net Assets

Net assets with donor restrictions are as follows at June 30:

	2024	2023
Purpose or program restrictions		
Communications technology	$ -	$ 16,905
Total	$ -	$ 16,905

Net assets were released from donor restrictions by incurring expenditures that satisfied the following restricted purposes during the years ended June 30:

	2024	2023
Purpose or program restrictions		
Communications technology	$ 16,905	$ 38,226
Total	$ 16,905	$ 38,226

As of June 30, 2024 and 2023, the Board of Directors has not designated any endowment funds.

Supplementary Information

Southern Regional Resource Center, Inc.
d/b/a Southern Caregiver Resource Center
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Program Title/ Federal Grantor/ Pass-Through Grantor	Federal Assistance Listing Number	Grant or Contract Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Health and Human Services				
Pass-through from County of San Diego				
National Family Caregiver Support, Title III, Part E	93.052	566544	$ -	$ 876,484
National Family Caregiver Support, Title III, Part E	93.052	569756	-	403,676
Total National Family Caregiver Support, Title III, Part E			-	1,280,160
Pass-through from the San Diego State University Research Foundation				
PPHF Geriatric Education Centers	93.969	SA0000696 A1	-	40,000
Total expenditures of federal awards			$ -	$ 1,320,160

See accompanying notes to the schedule of expenditures of federal awards.

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Southern Regional Resource Center, Inc. d/b/a Southern Caregiver Resource Center (the Center) under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the 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 it presents only a selected portion of the operations of the Center, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of the Center.

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 the Uniform Guidance wherein certain types of expenditures are not allowed or are limited as to reimbursement.

Note 3 – Indirect Cost Rate

The Center elected not to use the 10% de minimis indirect cost rate.

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Report of Independent Auditors 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*

The Board of Directors
Southern Regional Resource Center, Inc.
d/b/a Southern Caregiver Resource Center

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 Southern Regional Resource Center, Inc. d/b/a Southern Caregiver Resource Center, which comprise the statements of financial position as of June 30, 2024, 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 November 21, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Southern Regional Resource Center, Inc. d/b/a Southern Caregiver Resource Center's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Southern Regional Resource Center, Inc. d/b/a Southern Caregiver Resource Center's internal control. Accordingly, we do not express an opinion on the effectiveness of Southern Regional Resource Center, Inc. d/b/a Southern Caregiver Resource 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Moss Adams LLP

San Diego, California
November 21, 2024

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Report of Independent Auditors on Compliance for the Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

The Board of Directors
Southern Regional Resource Center, Inc.
d/b/a Southern Caregiver Resource Center

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Southern Regional Resource Center, Inc. d/b/a Southern Caregiver Resource Center's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on Southern Regional Resource Center, Inc. d/b/a Southern Caregiver Resource Center's major federal program for the year ended June 30, 2024. Southern Regional Resource Center, Inc. d/b/a Southern Caregiver Resource Center's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Southern Regional Resource Center, Inc. d/b/a Southern Caregiver Resource Center complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

Basis for Opinion on the 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 Southern Regional Resource Center, Inc. d/b/a Southern Caregiver Resource 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 the major federal program. Our audit does not provide a legal determination of Southern Regional Resource Center, Inc. d/b/a Southern Caregiver Resource 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 Southern Regional Resource Center, Inc. d/b/a Southern Caregiver Resource 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 Southern Regional Resource Center, Inc. d/b/a Southern Caregiver Resource 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 Southern Regional Resource Center, Inc. d/b/a Southern Caregiver Resource Center's compliance with the requirements of the 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 Southern Regional Resource Center, Inc. d/b/a Southern Caregiver Resource 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 Southern Regional Resource Center, Inc. d/b/a Southern Caregiver Resource 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 Southern Regional Resource Center, Inc. d/b/a Southern Caregiver Resource 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 a 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 results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Moss Adams LLP

San Diego, California
November 21, 2024

Section I – Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None reported

Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ☐ Yes ☒ No

Identification of major federal programs and type of auditor's report issued on compliance for major federal programs:

Federal Assistance Listing Number(s)	*Name of Federal Program or Cluster*	*Type of Auditor's Report Issued on Compliance for Major Federal Program*
93.052	National Family Caregiver Support, Title III, Part E	Unmodified

Dollar threshold used to distinguish between
Type A and Type B programs: $750,000

Auditee qualified as low-risk auditee? ☒ Yes ☐ No

Section II – Financial Statement Findings

None reported.

Section III – Federal Award Findings and Questioned Costs

None reported.

Southern Regional Resource Center, Inc.
d/b/a Southern Caregiver Resource Center
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2024

There were no open findings from the prior audit report.

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