INTERFACE CHILDREN & FAMILY SERVICES

SINGLE AUDIT REPORT

FOR THE YEAR ENDED JUNE 30, 2022

VASIN, HEYN & COMPANY

ABOVE THE BRIGHT LINE

AN ACCOUNTANCY CORPORATION

CERTIFIED PUBLIC ACCOUNTANTS | AUDITORS AND ADVISERS

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(A California Non-Profit Corporation)
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Interface Children & Family Services (Interface)
(A California Non-Profit Corporation)
Camarillo, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Interface Children and Family Services (A California Non-Profit Corporation) which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Interface Children and Family Services as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Interface Children and Family Services 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.

Adoption of Accounting Pronouncement

As described in Note 2 to the financial statements, Interface Children and Family Services has adopted ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. Our opinion is not modified with respect to that matter.

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 of Interface Children and Family Services' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

INDEPENDENT AUDITORS' REPORT (Continued)

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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards 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 Interface Children and Family Services' 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 Interface Children and Family Services' 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.

Report on Summarized Comparative Information

We previously audited Interface Children and Family Services' 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 15, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

The summary financial statements do not contain all the disclosures required by accounting principles generally accepted in the United States of America. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of Interface Children and Family Services.

INDEPENDENT AUDITORS' REPORT (Continued)

Other Matters

Other 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 and State 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 dated March 31, 2023, on our consideration of Interface Children and Family Services' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely 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 Interface Children and Family Services' 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 Interface Children and Family Services' internal control over financial reporting and compliance.

Vasin, Heyn + Co.

Calabasas, California
March 31, 2023

INTERFACE CHILDREN & FAMILY SERVICES
(A California Non-Profit Corporation)
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	2022	2021
ASSETS		
Cash and cash equivalents	$ 2,057,209	$ 3,657,943
Contracts and grants receivable, net of allowance	2,668,796	2,209,326
Other receivables	33,664	340
Investments	805,389	865,042
Beneficial interests in funds held by others	353,954	396,869
Deposits and prepaid expenses	137,430	92,632
Property and equipment, net	468,778	600,963
Total assets	$ 6,525,220	$ 7,823,115
LIABILITIES		
Accounts payable	$ 410,049	$ 518,993
Accrued expenses	83,352	65,289
Accrued payroll and related liabilities	798,145	704,066
Deferred revenue	315,891	323,601
Amounts held for others	3,417	2,508
Mortgages payable	172,537	172,537
Total liabilities	1,783,391	1,786,994
COMMITMENTS AND CONTINGENCIES		
NET ASSETS		
Without donor restrictions	3,976,364	5,097,352
With donor restrictions	765,465	938,769
Total net assets	4,741,829	6,036,121
Total liabilities and net assets	$ 6,525,220	$ 7,823,115

See accompanying auditors' reports and notes to financial statements.

INTERFACE CHILDREN & FAMILY SERVICES
(A California Non-Profit Corporation)
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUE, SUPPORT AND RESTRICTIONS RELEASED				
Governmental service contracts	$ 11,111,915	$ -	$ 11,111,915	$ 13,623,193
Contributions and grants	1,150,933	172,282	1,323,215	1,576,868
Forgiveness of Paycheck Protection Program loan	-	-	-	1,485,445
Fees for services	124,303	-	124,303	139,977
Interest income, net of fees	7,853	-	7,853	2,449
Net realized and unrealized gain (loss) on investments	(99,380)	-	(99,380)	270,895
Net realized and unrealized gain (loss) on beneficial interest in funds held by others	(43,148)	-	(43,148)	84,118
Gain (loss) on sale of property and equipment	2,656	-	2,656	-
Other income	124,567	-	124,567	51,409
Fundraising revenue	657,577	-	657,577	434,654
Restrictions released	345,586	(345,586)	-	-
Total revenue, support and restrictions released	13,382,862	(173,304)	13,209,558	17,669,008
EXPENSES				
Program services	11,372,620	-	11,372,620	13,227,873
Support services	2,388,582	-	2,388,582	2,211,578
Fundraising expenses	742,648	-	742,648	560,409
Total expenses	14,503,850	-	14,503,850	15,999,860
CHANGE IN NET ASSETS	(1,120,988)	(173,304)	(1,294,292)	1,669,148
NET ASSETS - beginning of year	5,097,352	938,769	6,036,121	4,366,973
NET ASSETS - end of year	$ 3,976,364	$ 765,465	$ 4,741,829	$ 6,036,121

See accompanying auditors' reports and notes to financial statements.

INTERFACE CHILDREN & FAMILY SERVICES
(A California Non-Profit Corporation)
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	Program Services	Support Services	Fundraising Expenses	2022 Total Expenses	2021 Total Expenses
Salaries and related expenses					
Salaries	$ 6,163,659	$ 1,245,225	$ 406,064	$ 7,814,948	$ 8,606,292
Payroll taxes	485,762	96,560	27,759	610,081	705,293
Employee benefits	740,009	185,567	26,143	951,719	989,177
	7,389,430	1,527,352	459,966	9,376,748	10,300,762
Other expenses					
Advertising and promotion	-	1,482	10,132	11,614	9,270
Auto expense	25,254	1,099	-	26,353	30,198
Bank charges	-	-	-	-	763
Computer expenses	193,354	44,484	5,808	243,646	222,326
Dues and subscriptions	145,037	47,705	18,695	211,437	220,421
Education and training	77,402	11,551	2,086	91,039	68,766
Equipment rental and maintenance	57,323	5,774	1,526	64,623	65,497
Facility rental and catering	-	-	90,652	90,652	933
Housing and food	162,162	4,894	728	167,784	249,878
Insurance	120,554	38,847	1,604	161,005	116,687
Interest expense	903	-	-	903	-
Licenses and permits	2,196	1,700	-	3,896	3,399
Miscellaneous expenses	42,032	61,462	17,430	120,924	79,194
Office expenses	166	316	-	482	-
Outside services	2,132,007	297,979	45,679	2,475,665	3,023,332
Postage	5,115	1,073	9,329	15,517	16,593
Printing	9,014	1,054	920	10,988	21,075
Professional fees	7,196	128,451	-	135,647	64,239
Real estate tax	1,719	(561)	-	1,158	1,650
Rent	487,264	46,376	27,219	560,859	648,700
Repairs and maintenance	117,958	8,606	2,810	129,374	153,535
Small equipment	9,495	316	21	9,832	24,414
Supplies	64,396	10,747	42,931	118,074	122,796
Taxes and licenses	222	1,053	2,443	3,718	1,246
Telephone	251,822	13,705	2,383	267,910	394,738
Travel	13,523	87	286	13,896	4,881
Utilities	57,076	3	-	57,079	49,567
	11,372,620	2,255,555	742,648	14,370,823	15,894,860
Depreciation	-	133,027	-	133,027	105,000
Total expenses	$ 11,372,620	$ 2,388,582	$ 742,648	$ 14,503,850	$ 15,999,860

See accompanying auditors' reports and notes to financial statements.

INTERFACE CHILDREN & FAMILY SERVICES
(A California Non-Profit Corporation)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ (1,294,292)	$ 1,669,148
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	133,027	105,000
Gain (loss) on sale of property and equipment	(2,656)	-
Forgiveness of Paycheck Protection Program loan	-	(1,485,445)
Realized and unrealized (gain) loss on investments	99,380	(270,895)
Realized and unrealized (gain) loss on beneficial interest	43,148	(84,118)
(Increase) decrease in:		
Promises to give, net of allowance	-	115,044
Contracts and grants receivable, net of allowance	(459,470)	585,413
Other receivables	(33,324)	310,633
Deposits and prepaid expenses	(44,798)	72,092
Increase (decrease) in:		
Accounts payable	(108,944)	(266,508)
Accrued expenses	18,063	(98,679)
Accrued payroll and related liabilities	94,079	(43,425)
Deferred revenue	(7,710)	165,065
Amounts held for others	909	2,248
Total adjustments	(268,296)	(893,575)
Net Cash Provided (Used) by Operating Activities	(1,562,588)	775,573
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(13,036)	(84,254)
Proceeds from sale of property and equipment	14,850	-
Proceeds from sale of investments	62,967	83,766
Reinvested funds	10,069	9,543
Purchase of investments	(112,763)	(78,456)
Reinvested funds on beneficial interest	(233)	1,049
Net Cash Provided (Used) by Investing Activities	(38,146)	(68,352)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,600,734)	707,221
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	3,657,943	2,950,722
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 2,057,209	$ 3,657,943
Supplemental disclosure:		
Interest paid	$ 903	$ -

See accompanying auditors' reports and notes to financial statements.

INTERFACE CHILDREN & FAMILY SERVICES
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE, 30 2022

1. ORGANIZATION

Interface Children & Family Services (A Non-profit Organization) (Interface) is a multi-faceted; community based family service and advocacy organization serving Ventura County, California. Interface came into existence in 1973. In addition to the Main office located in Camarillo, California there are multiple facilities throughout Ventura County where services are rendered.

The primary sources of revenue are contracts and grants with various federal, state and local government agencies. In addition funds are received by Interface to supplement ongoing programs from United Way of Ventura County, First 5 Ventura County, various grantors and individual donors.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Interface prepares its financial statements in accordance with generally accepted accounting principles (GAAP) promulgated in the United States of America. The significant accounting and reporting policies used by Interface are described below to enhance the usefulness and understandability of the financial statements.

Net Assets

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

- *Net assets without donor restrictions.* Net assets without donor restrictions are resources available to support operations. The only limits on the use of net assets without donor restrictions are the broad limits resulting for the nature of Interface, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

- *Net assets with donor restrictions*. Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period or are limited by donor-imposed restrictions that neither expire by being used in accordance with a donor's restriction nor by the passage of time. Interface's unspent contributions are classified in this class if the donor limited their use, as are the unspent appreciation of its donor-restricted endowment funds. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as donor restricted until the specified asset is placed in service by Interface, unless the donor provides more specific directions about the period of its use.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Net Assets - Continued

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the use of the related resources is subject to donor restrictions. All expenses and net losses other than losses on endowment investments are reported as decreases in net assets without donor restrictions.

Cash and Cash Equivalents

Cash and cash equivalents are short term, interest bearing, highly liquid investments with original maturities of three months or less, unless the investments are held for meeting restrictions of a capital or endowment nature. At year-end, and throughout the year, Interface's cash balances, deposited in one bank, exceeded federally insured limits. Management believes Interface is not exposed to any significant credit risk on cash and cash equivalents.

Contracts, Grants, and Other Receivables, Net of Allowance

Receivables are primarily unsecured amounts due from grantors on cost reimbursement or performance grants. Interface uses the allowance method of accounting for receivables determined to be potentially uncollectable. An allowance for doubtful accounts was established for contracts to give at June 30, 2022 totaling $4,956.

Investments

Investments are composed of mutual funds and invested in debt and equity securities and are carried at fair market value.

Beneficial Interest in Funds Held by Others - Ventura County Community Foundation

Interface has the unconditional right to receive all of the cash flows from its beneficial interest in the Ventura County Community Foundation. Interface records its beneficial interest at the fair value using the present value of the estimated future cash. The balance at June 30, 2022 consists of mutual fund investments and money instruments stated at market value.

Deposits and Prepaid Expenses

Prepaid insurance, deposits, and other costs are expensed ratably over their respective terms of agreement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Property and Equipment, Net

Land, buildings, property, and equipment are reported in the statement of financial position at cost, if purchased, and at fair value at the date of donation, if donated. All land, buildings, and property are capitalized. The minimum dollar amount for capitalizing and depreciating an asset is $1,500. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, as follows:

Buildings and improvements	5 - 30 years
Computer equipment	3 - 7 years
Furniture and fixtures	2 - 5 years
Software development	3 years
Vehicles	3 - 5 years

Property and equipment are reviewed for impairment when a significant change in the asset's use or another indicator of possible impairment is present. No impairment losses were recognized in the financial statements in the current period.

Vacation Policy

Accrued vacation benefits are accrued on a monthly basis. Full-time employees accrue vacation time based upon years of service to Interface as follows:

Years Employed	Annualized Accrual
0 - 1 years	10 Days
1+ - 3 years	12 Days
3+ - 7 years	15 Days
7+ - 10 years	20 Days
10+ years	25 Days

Part-time employees working 20 to 29 hours per week accrue vacation at one-half the annualized accrual that full-time staff earns. The maximum vacation accrual that can be earned is 1 ½ times the employees annual accrual. Unused vacation leave will be paid at the time of termination. Total accrued vacation at June 30, 2022, was $394,357.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Deferred Revenue

Deferred revenue represents revenues collected but not earned as of June 30, 2022. This is primarily composed of revenue for program funds accrued in advance. If a program is conducted over a fiscal year end, deferred revenue is recorded for all revenue related to programs predominately conducted in the next fiscal year.

Accounting for Contributions

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions, consistent with the nature of the restriction. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as net assets with donor restrictions until the payment is due unless the contribution is clearly intended to support activities of the current fiscal year or is received with donor restrictions. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

Contributed Goods and Services

Contributions of goods received that are measurable are recorded as revenue at their estimated fair value when received. Contributions of services are recognized if the services received meet any of these criteria: (1) if they create or enhance nonfinancial assets and (2) if they require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Revenue Recognition

Revenues from government agencies, service fees, and other third-party payors for services provided under such contracts are recognized when earned by Interface. All gifts, bequests, and other public support are included in net assets without donor restrictions unless specifically restricted by the donor or the terms of the gift or grant instrument. Amounts received in excess of balances earned are recognized as liabilities in Contract Advances.

Government Revenue

Government revenue is recognized when the qualifying costs are incurred for cost-reimbursement grants or contracts or when a unit of service is provided for performance grants. Government revenue from federal agencies is subject to independent audit required by the Uniform Guidance and review by grantor agencies. The review could result in the disallowance of expenditures under the terms of the grant or reductions of future grant funds. Based on prior experience, Interface's management believes that costs ultimately disallowed, if any, would not materially affect the financial position of Interface.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Income Taxes

Interface is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and California income taxes under section 23701(d) of the California Revenue and Taxation Code. The IRS classified the organization as one that is not a private foundation within the meaning of section 509(a) of the Code because it is an organization described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

Interface has adopted Financial Accounting Standards Board Accounting Standards Codification (ASC) Section 740-10, which clarifies the accounting for uncertainty in income taxes. ASC Section 740-10 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC Section 740-10 requires that an organization recognize in the financial statements the impact of the tax position if that position will more likely than not be sustained on audit, based on the technical merits of the position. As of and for the year ended June 30, 2022, Interface had no material unrecognized tax benefits, tax penalties or interest.

Interface's Forms 990, *Return of Organization Exempt from Income Tax*, for each of the tax years ended June 30; 2021, 2020, and 2019, are subject to examination by the IRS, generally for 3 years after they were filed.

Interface's Forms 199, *California Exempt Organization Return*, for each of the tax years ended June 30; 2021, 2020, 2019, and 2018, are subject to examination by the Franchise Tax Board, generally for 4 years after they were filed.

Expense Recognition and Allocation

The cost of providing Interface's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of Interface.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. Interface generally does not conduct its fundraising activities in conjunction with its other activities. In the few cases in which it does, such as when the annual report or donor acknowledgements contain requests for contributions, joint costs have been allocated between fundraising and management and general expenses in accordance with standards for accounting for costs of activities that include fundraising. Additionally, advertising costs are expensed as incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, Interface's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. Interface's management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

Comparative Totals

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with Interface's financial statements for the year ended June 30, 2021 from which the summarized information was derived.

Reclassifications

Certain amounts in the 2021 comparative totals have been reclassified to conform with the 2022 reporting format.

Adopted Accounting Pronouncement

In September 2020, the FASB amended guidance regarding the way nonprofit organizations report nonfinancial assets, including donated goods and rent, in-kind professional services, etc. The amendment requires contributed nonfinancial assets to be presented separately from cash and other financial assets on the statement of activities, and the footnote disclosure must include a dis-aggregation by type, donor restrictions, if applicable, and other details about the nature and valuation of the nonfinancial assets received. The new standard is effective for fiscal years beginning after June 15, 2021, and could have an impact on Interface's reporting of contributed nonfinancial assets. During the year ended June 30, 2022, Interface adopted Accounting Standards Update, ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets.*

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Fair Value Measurements

Interface reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal or most advantageous market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are as follows:

- Level 1 - Quoted prices for identical assets or liabilities in active markets to which Interface has access on the measurement date.

- Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include
    - quoted prices for similar assets or liabilities in active markets;
    - quoted prices for identical or similar assets in markets that are not active;
    - observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves); and
    - inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

- Level 3 - Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

The carrying amounts of cash and cash equivalents and accounts receivable approximate fair value because of the terms and relatively short maturity of these financial instruments. The mutual funds are valued at quoted market prices, which represent the net asset value of shares held by Interface at year end.

The carrying amounts of liabilities, approximate fair value because of the relatively short maturity of these financial instruments.

When available, Interface measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.

3. INVESTMENTS

Interface measures fair value in accordance with FASB ASC 820-10. FASB ASC 820-10 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels; Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs, other than the quoted prices in active markets, are observable either directly or indirectly, and Level 3 unobservable inputs in which there is little or no market data, which requires Interface to develop its own assumptions. Interface uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, Interface measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available. All assets reported at fair value at June 30, 2022, are Level 2 inputs.

Investments consist of the following at June 30, 2022:

	Total	Level 1
Mutual funds:		
Equity	$ 679,016	$ 679,016
Fixed income	126,373	126,373
Total investments	$ 805,389	$ 805,389

At June 30, 2022, Interface does not have any investments measured using Level 2 or Level 3 inputs.

The composition of the investment return reported in the statement of activities is follows:

	Amount
Interest income – cash equivalents	$ 1,413
Net realized and unrealized gain (loss) on investments	(99,380)
Net earnings (loss) for year	$ (97,967)

4. BENEFICIAL INTEREST IN FUNDS HELD BY OTHERS

Custodial Investments Held by Others represents contributions made to Interface that have been invested by Interface with the Ventura County Community Foundation (VCCF). Interface has adopted a Total Return Concept, which recognizes that capital appreciation, as well as income, over time adds significant value to the portfolio. This philosophy is also shared by VCCF. Accordingly, the Custodial Investments Held by Others is reported at its fair market value in the Statement of Financial Position and unrealized gains and losses are included in the Statement of Activities.

By choosing VCCF to manage these investments, Interface has accepted the VCCF investment philosophy and the payout/distribution policy adopted by VCCF. The investment philosophy requires VCCF to invest in quality equity securities and bonds. For the year ended June 30, 2022 the payout/distribution policy for custodial investments in excess of 100% of principal value provides for a 5% annual payout/distribution using a twelve-quarter rolling average of market values to determine the annual payout available. Custodial Investments with less than 100% of principal value will be permitted distributions in the range of 2-4% of the twelve quarter rolling average.

With current earnings on the custodial investments, Interface has three options. The first is to accept the current earnings from VCCF. The second option is to reinvest these earnings as additional principal in the custodial investments. The third option is to have VCCF hold the income for future distribution in the VCCF money market fund. Interface has elected the third option for the year ended June 30, 2022. The Fund's fair market value at June 30, 2022 was of $353,954. The composition is as follows using Level 2 inputs:

	Amount
Beginning balance	$ 396,869
Dividends and interest reinvested	6,440
Unrealized gain (loss) included in changes in net assets	(58,334)
Realized gain (loss) included in changes in net assets	15,186
Less investment fees and sales proceeds	(6,207)
Total beneficial interest in funds held by others	$ 353,954

5. PROPERTY AND EQUIPMENT, NET

Property and equipment at June 30, 2022 consists of:

	Amount
Building and improvements	$ 972,211
Computer equipment	450,479
Furniture and fixtures	511,258
Land	74,941
Software development	205,446
Vehicles	141,469
	2,355,804
Less: accumulated depreciation	(1,887,026)
Property and equipment, net	$ 468,778

Total depreciation expense for the year ended June 30, 2022 was $133,027.

6. BORROWING ARRANGEMENTS

Mortgage Payable - City of Simi Valley

On June 29, 2000, Interface entered into a mortgage payable in the amount of $110,000 with the City of Simi Valley, which matured on June 2015. The loan is secured by a trust deed. The loan was payable in annual installments of $5,000 per year with no interest. The final principal payment of $40,000 was due on June 30, 2015.

At June 30, 2022, the balance had not been repaid. However, management believes that Interface will be able to negotiate terms to allow Interface to pay the remaining balance.

6. BORROWING ARRANGEMENTS - Continued

Community Development Block Grant Mortgages Payable

Non-interest bearing, Community Development Block Grant mortgages payable consist of the following at June 30, 2022:

Non-interest bearing second trust deed provided by the City of Port Hueneme that requires Interface to maintain a transitional living facility for a 20 year period starting on May 1, 2002, at which time the loan will be forgiven. If Interface either modifies the use of or sells the facility prior to May 1, 2022, the loan will become due and payable.	$ 30,000
Non-interest bearing trust deed provided by the City of Port Hueneme that requires Interface to maintain a transitional living facility for a 20 year period starting January 27, 2003, at which time the loan will be forgiven. If Interface either modifies the use of or sells the facility prior to January 23, 2023, the loan will become due and payable.	28,000
Community Development Block Grant Sub-recipient Contract dated July 16, 1996. The contract requires Interface to maintain transitional living facilities in Port Hueneme and Santa Paula. If Interface either modifies the use of or sells the facility the awarding agency is due the original contract amount plus a portion of the equity growth equivalent to their original participation.	75,440
	$ 133,440

Line of Credit

Pursuant to a revolving line of credit agreement with Mechanics Bank, Interface may borrow up to $500,000 bearing interest at the current index rate, as defined, generally prime plus 2% per annum. The loan agreement is collateralized by all of Interface's inventory, owned equipment, accounts, and general intangibles. The line of credit agreements contains certain covenants which were in compliance during the year ended June 30, 2022. There was no balance due to the bank at June 30, 2022.

7. COMMITMENTS

Facilities

Interface leases some of its facilities under non-cancelable, non-financing leases. Some of the leases are subject to annual increases based upon increases in the Consumer Price Index. Rent expense for year ended June 30, 2022 was $560,859, which includes all of the facilities rented on a month-to-month basis as well as the facilities leased under rental lease agreements.

Minimum lease payments under these leases at June 30, are as follows:

Year Ended June 30,	Amount
2023	$ 333,768
Total	$ 333,768

Equipment

Interface leases office equipment under operating leases with varying expirations for total annual lease payments of $64,623.

Minimum lease payments under these leases at June 30, are as follows:

Year Ended June 30,	Amount
2023	$ 7,522
2024	366
Total	$ 7,888

8. CONTRIBUTORY RETIREMENT PLAN

Interface maintains a contributory retirement plan available to eligible employees which allows participants to make tax deferred investment contributions. Full-time employees are eligible to participate on the first of the month following the completion of 30 days of service. Effective May 1, 2018, the plan will match $0.50 for every $1.00 that the employee contributes, the maximum match is 1% of total compensation per pay period. Interface contributed $40,022 for the year ended June 30, 2022.

9. FUNDRAISING REVENUE

Interface conducted various special events and fundraising activities during the year. The revenue and expenses from fund development activities for the year ended June 30, 2022 were as follows:

Event	Revenue	Expenses	Net Revenue
Hope n Light	$ 498,699	$ (136,769)	$ 361,930
Love is Brewing	158,878	(26,257)	132,621
Total	$ 657,577	$ (163,026)	$ 494,551

10. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at June 30, 2022, consist of amounts restricted by donor-imposed stipulations, and are available for the following purposes:

Grant	Balance at 6/30/21	Income	Expenditures	Balance at 6/30/22
211 Services	$ 600,561	$ -	$ (175,000)	$ 425,561
Domestic Violence	230,930	51,696	(50,000)	232,626
Mental Health	-	120,586	(120,586)	-
Endowments	107,278	-	-	107,278
	$ 938,769	$ 172,282	$ (345,586)	$ 765,465

Subject to spending policy and appropriation:

	Amount
Ferguson Endowment Fund	$ 75,000
Total	$ 75,000

Earnings from the Ferguson Endowment Fund may be used by Interface for the domestic violence programs. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments are classified and reported based on the existence or absence of donor-imposed restrictions.

11. ACCOUNTING FOR ENDOWMENT FUND

Endowment Fund

Interface follows the provisions of ASC 958 Section 205-45, *Reporting Endowment Funds*. These provisions provide guidance on the net asset classification of donor-restricted endowment funds for a non-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) and also required disclosures about endowment funds, both donor-restricted endowment funds and board-designated endowment funds.

Interpretation of Relevant Law

The Board of Directors of Interface have interpreted State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted permanent endowment funds unless there are explicit donor stipulations to the contrary. As a result of this interpretation, Interface classifies as permanently restricted net assets (a) the original value of gifts donated to all donor-restricted permanent endowments, (b) the original value of any subsequent gifts to donor-restricted permanent endowments, and (c) the original value of accumulations to donor-restricted permanent endowments made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

In accordance with SPMIFA, the organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the endowment fund
- The purposes of Interface and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of Interface
- The investment policy of Interface

The net asset composition of the endowment as of June 30, 2022, is as follows:

Type-of endowment fund	With Donor Restrictions
Donor-restricted funds:	
Permanent endowment	$ 75,000
Interest income	-
Total	$ 75,000

11. ACCOUNTING FOR ENDOWMENT FUND - Continued

The changes in endowment net assets for the year ended June 30, 2022, are as follows:

	With Donor Restrictions
Endowment net assets, July 1, 2020	$ 107,278
Investment return:	
Investment income	-
Endowment net assets, June 30, 2022	$ 107,278

The portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulation or by SPMIFA is $75,000 at June 30, 2022. The Ferguson Endowment restrictions include a provision for draw down up to 10% per year from the entire endowment for defined costs.

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or SPMIFA requires Interface to retain as a fund of perpetual duration. Deficiencies of this nature are reported in net assets without donor restrictions, when applicable. There were no such deficiencies as of June 30, 2022.

12. CONCENTRATION RISK

The majority of Interface's contributions and grants are received from corporations, foundations, and individuals located in the state of California and Ventura County. As such, Interface's ability to generate resources via contributions and grants is dependent upon the economic health of that area and of the state of California. An economic downturn could cause a decrease in contributions and grants that coincides with an increase in demand for Interface's services.

Interface's funds held by others and investments are subject to various risks, such as interest rate, credit, and overall market volatility risks. Further, because of the significance of the investments to Interface's financial position and the level of risk inherent in most investments, it is reasonably possible that changes in the values of these investments could occur in the near term and such changes could materially affect the amounts reported in the financial statements. Management is of the opinion that the diversification of its invested assets among the various asset classes should mitigate the impact of changes in any one class.

13. CONTINGENCIES

Governmental Funding

Interface has received local, state, and federal funds for specific purposes that are subject to review and audit by the contracting agencies. Although such audits could generate expenditure disallowances under terms of the grants or contracts, it is management's opinion that any required reimbursements will not be material.

COVID-19

On March 11, 2020 the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The ultimate financial impact and duration of these events cannot be reasonably estimated at this time.

14. LIQUIDITY AND FUNDS AVAILABLE

The total financial assets held by Interface at June 30, 2022 and the amount of those financial assets that could be made available for general expenditure within one year of the date of the statement of financial position are summarized in the following table:

	June 30, 2022
Financial assets:	
Cash and cash equivalents	$ 2,057,209
Contracts and grants receivable, net of allowance	2,668,796
Other receivables	33,664
Investments	805,389
	5,565,058
Less donor-imposed restrictions:	
Restricted by donors with time or purpose restrictions	(690,465)
Endowment fund, for long term-investing	(75,000)
Net financial assets after donor-imposed restrictions	4,799,593
Financial assets available to meet cash needs for general expenditures within one year	$ 4,799,593

Interface's goal is generally to maintain financial assets to meet 60 days of operating expenses (approximately $450,000). As part of its liquidity plan Interface bills government-funded contracts in accordance with funding terms and conditions or receives periodic advances from funders, generally monthly. Amounts available for expenditure over the period of the next twelve are dependent on governmental funder's payment cycles which vary from 30 to 90 days. Interface has a $500,000 line of credit available to meet cash flow needs.

15. SUBSEQUENT EVENTS

Interface has evaluated events subsequent to June 30, 2022, to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through March 31, 2023, the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

INFORMATION REQUIRED BY *GOVERNMENT AUDITING STANDARDS* AND THE UNIFORM GUIDANCE

VASIN, HEYN & COMPANY
ABOVE THE BRIGHT LINE
AN ACCOUNTANCY CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS | AUDITORS AND ADVISERS

INDEPENDENT AUDITORS' 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 of
Interface Children & Family Services (Interface)
(A California Non-Profit Corporation)
Camarillo, California

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 Interface Children and Family Services (A California Non-Profit Corporation), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 31, 2023.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Interface Children and Family Services' 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 organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Vasin, Heyn + Co.

Calabasas, California
March 31, 2023

VASIN, HEYN & COMPANY
ABOVE THE BRIGHT LINE
AN ACCOUNTANCY CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS | AUDITORS AND ADVISERS

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors of
Interface Children & Family Services (Interface)
(A California Non-Profit Corporation)
Camarillo, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Interface Children and Family Services' (A California Non-Profit Corporation) 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 each of Interface Children and Family Services' major federal programs for the year ended June 30, 2022. Interface Children and Family Services' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Interface Children and Family Services complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 Interface Children and Family Services 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 Interface Children and Family Services' 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 Interface Children and Family Services' 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 Interface Children and Family Services' 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 generally accepted auditing standards, *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 Interface Children and Family Services' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 Interface Children and Family Services' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Interface Children and Family Services' 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 Interface Children and Family Services' 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.

Vasquez, Heyn + Co.

Calabasas, California
March 31, 2023

INTERFACE CHILDREN & FAMILY SERVICES
(A California Non-Profit Corporation)
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2022
(FEIN: 95-2944459)

Federal & State Grantor/ Pass Through Grantor/ Program Title	Federal CFDA #	Pass-Through/ Award Number	Award Amount Total Contract	Award Period	Reporting Period	Revenue Recognized	Expenditures	Agency Match
FEDERAL FUNDING:								
U.S. Department of Justice								
Passed Through the Governor's Office of Emergency Services								
Domestic Violence Assistance Program (VOCA)	16.575	DV20 35 1173	735,915	10/01/20-09/30/22	07/01/21 - 06/30/22	$ 376,076	$ 376,076	$ -
Child Abuse Treatment Services (VOCA)	16.575	AT 20 01 1173	257,500	01/01/21-12/31/21	07/01/21 - 12/31/21	121,116	121,116	31,924
Child Abuse Treatment Services (VOCA)	16.575	AT 21 02 1173	257,500	01/01/22-12/31/22	01/01/22 - 06/30/22	133,407	133,407	20,677
Passed Through the County of Ventura								
County Victim Services XT Program (CHAT XT) (VOCA)	16.575	AT20 03 0560	92,498	01/01/21 - 12/31/21	07/01/21 - 12/31/21	34,895	34,895	-
County Victim Services XT Program (CHAT XT) (VOCA)	16.575	AT21 04 0560	92,498	01/01/22 - 12/31/22	01/01/21 - 06/30/21	33,959	33,959	-
County Victim Services XC Program (HTXC) (VOCA)	16.575	XC20 03 0560	73,347	01/01/21 - 12/31/21	07/01/21 - 12/31/21	45,332	45,332	-
County Victim Services XC Program (HTXC) (VOCA)	16.575	XC21 04 0560	73,347	01/01/22 - 12/31/22	01/01/22 - 06/30/22	34,923	34,923	-
Crime Victim Assistance	**16.575**					**779,708**	**779,708**	**52,601**
Office of Victims of Crime (HT OVC)								
Services for Trafficking Victims	**16.320**	2019-VT-BX-K028	900,000	10/01/19 - 09/30/22	07/01/21 - 06/30/22	**218,246**	**301,935**	**83,689**
Total U.S. Department of Justice						**$ 997,954**	**$ 1,081,643**	**$ 136,290**
U.S. Department of Health and Human Services								
Passed Through the California Health and Welfare Agency, Department of Social Services								
Office of Child Abuse Prevention								
Basic Center Program	93.623	90CY7030-02	$ 200,000	09/30/18 - 09/29/21	07/01/21 - 09/29/21	$ 94,851	$ 94,851	$ 1,909
Basic Center Program	93.623	90CY7354-01	200,000	09/30/21 - 09/29/24	09/30/21 - 06/30/22	118,357	118,357	2,011
Basic Center Grant	**93.623**					**213,208**	**213,208**	**3,920**
Interface Youth Services Street Outreach Program	93.557	90YO2324-02	150,000	09/30/18 - 09/29/21	07/01/21 - 09/29/21	39,661	39,661	-
Interface Youth Services Street Outreach Program	93.557	90YO2427-01	150,000	09/30/21 - 09/29/24	09/30/21 - 06/30/22	96,732	96,732	-
Education and Prevention Grants to Reduce Sexual Abuse of Runaway, Homeless and Street Youth	**93.557**					**136,393**	**136,393**	**-**
Central Coast Family Violence Prevention Initiative	93.592	90EV0482-01	538,982	09/30/20 - 09/29/22	07/01/21 - 06/30/22	387,626	387,626	-
American Rescue Plan Act Supplemental	93.592	90EV0509-01	442,308	03/15/21 - 09/30/25	07/01/21 - 06/30/22	55,303	55,303	-
Family Violence Prevention and Services/Discretionary	**93.592**					**442,929**	**442,929**	**-**
Passed Through Substance Abuse and Mental Health Services Administration								
Phoenix Project								
Mental Health Disaster Assistance and Emergency Mental Health	**93.982**	1HF79FG000570-01	1,000,000	07/31/20 - 01/30/23	07/01/21 - 06/30/22	**415,186**	**415,186**	**-**
Total U.S. Department of Health and Human Services						**$ 1,207,716**	**$ 1,207,716**	**$ 3,920**

INTERFACE CHILDREN & FAMILY SERVICES
(A California Non-Profit Corporation)
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2022
(FEIN: 95-2944459)
(CONTINUED)

Federal & State Grantor/ Pass Through Grantor/ Program Title	Federal CFDA #	Pass-Through/ Award Number	Award Amount Total Contract	Award Period	Reporting Period	Revenue Recognized	Expenditures	Agency Match
FEDERAL FUNDING - Continued:								
U. S. Department of Agriculture								
Passed Through the California CalFresh Outreach Program,								
Department of Social Services								
2-1-1 San Diego CalFresh	10.561	18-7012-VND-ICFS	$ 13,288	07/01/18-09/30/21	07/01/21 - 09/30/21	$ 2,877	$ 2,877	$ -
2-1-1 San Diego CalFresh	10.561	18-7012-VND-ICFS	13,288	10/01/21 - 09/30/22	10/01/21 - 06/30/22	11,429	11,429	-
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	**10.561**					**14,306**	**14,306**	**-**
Total U.S. Department of Agriculture						**$ 14,306**	**$ 14,306**	**$ -**
U. S. Department of Treasury								
Passed Through the Local Initiatives Support Corporation								
Emergency Rental Assistant Program								
Emergency Rental Assistance Program	**21.023**	52540-0001	$ 125,000	03/12/2021 - 12/31/21	07/01/21 - 06/30/22	**$ 148,995**	**$ 148,995**	**$ -**
Total U. S. Department of Treasury						**$ 148,995**	**$ 148,995**	**$ -**
Federal Department of Housing and Urban Development								
Passed Through County of Ventura								
ESG-CV								
Emergency Solutions Grant Program	**14.231**	ESGCV805102	$ 80,000	10/01/20-09/30/22	07/01/21 - 06/30/22	**$ 61,593**	**$ 97,090**	**$ 35,497**
Total Federal Department of Housing and Urban Development						**$ 61,593**	**$ 97,090**	**$ 35,497**
TOTAL FEDERAL EXPENDITURES:						**$ 2,430,564**	**$ 2,549,750**	**$ 175,707**
STATE FUNDING:								
Governor's Office of Emergency Services								
Passed Through the Governor's Office of Emergency Services								
Domestic Violence Assistance Program (DVPO)	N/A	DV20 35 1173	403,960	10/01/20 - 09/30/22	07/01/21 - 06/30/22	$ 169,216	$ 169,216	$ -
Human Trafficking Victim Assistance (HTVA)	N/A	HV20 03 1173	476,191	04/01/21 - 03/31/22	07/01/21 - 03/31/22	365,676	365,676	-
` Human Trafficking Victim Assistance (HTVA)	N/A	HV21 03 1173	666,666	04/01/22 - 03/31/22	04/01/22 - 06/30/22	98,729	98,729	-
Sexual and Domestic Violence Prevention (SDVP)	N/A	SD21 20 1173	300,000	05/01/22 - 04/30/24	05/01/22 - 06/30/22	12,583	12,583	-
Sexual and Domestic Violence Prevention (SDVP)	N/A	SD19 01 1173	150,000	05/01/20 - 08/31/21	07/01/21 - 08/31/21	32,054	32,054	-
TOTAL STATE EXPENDITURES:						**$ 678,258**	**$ 678,258**	**$ -**
TOTAL FEDERAL AND STATE EXPENDITURES:						**$ 3,108,822**	**$ 3,228,008**	**$ 175,707**

INTERFACE CHILDREN & FAMILY SERVICES
(A California Non-Profit Corporation)
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal and State Awards (the "Schedule") includes the federal grant activity of Interface Children & Family Services under programs of the federal government for the year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Because the schedule presents only a selected portion of the operations of Interface Children & Family Services, it is not intended to and does not present the financial position, changes in net assets or cash flows of Interface Children & Family Services.

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 Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* wherein certain types of expenditures are not allowable or are limited as to reimbursement. 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.

3. DE MINIMIS INDIRECT COST RATE

Interface Children & Family Services did elect to use the 10% de minimis indirect cost rate for the year ended June 30, 2022.

4. LOAN AND LOAN GUARANTEE

Interface Children & Family Services did not have any balances of loan and loan guarantee programs outstanding at June 30, 2022 for loans described in 2 CFR section 200.50(b).

INTERFACE CHILDREN & FAMILY SERVICES
(A California Non-Profit Corporation)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified.	
Internal control over financial reporting:		
• Material weakness(es) identified?	______ Yes	X No
• Significant deficiency(ies) identified?	______ Yes	X None Reported
Noncompliance material to financial statements noted?	______ Yes	X No

Federal Awards

Internal control over major programs:		
• Material weakness(es) identified?	______ Yes	X No
• Significant deficiency(ies) identified?	______ Yes	X None Reported
Type of auditors' report issued on compliance for major programs	Unmodified.	
Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?	______ Yes	X No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
93.592	Family Violence Prevention and Services/Discretionary
93.982	Mental Health Disaster Assistance and Emergency Mental Health

Dollar threshold used to distinguish between type A and type B programs:	$ 750,000	
Auditee qualified as low-risk auditee?	X Yes	______ No

Section II - Financial Statement Findings

No matters were reported.

Section III - Federal Award Findings and Questioned Costs

No matters were reported.

INTERFACE CHILDREN & FAMILY SERVICES
(A California Non-Profit Corporation)
SCHEDULE OF CURRENT AND PRIOR YEARS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

CURRENT YEAR FINDINGS AND QUESTIONED COSTS

2022 Findings:

There were no 2022 findings noted.

2022 Questioned Costs:

There were no 2022 questioned costs noted.

PRIOR YEARS FINDINGS AND QUESTIONED COSTS

2021 Findings:

There were no 2021 findings noted.

2021 Questioned Costs:

There were no 2021 questioned costs noted.

2020 Findings:

There were no 2020 findings noted.

2020 Questioned Costs:

There were no 2020 questioned costs noted.