SENECA FAMILY OF AGENCIES

(A California Nonprofit Public Benefit Corporation)

Financial Statements

June 30, 2024 and 2023

SENECA FAMILY OF AGENCIES

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June 30, 2024 and 2023

GILMORE & ASSOCIATES, LLP

Independent Auditors' Report

To the Audit Committee
Seneca Family of Agencies

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Seneca Family of Agencies (a California nonprofit public benefit corporation), 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. We have also audited the accompanying consolidated financial statements of Seneca Family of Agencies and subsidiary as of June 30, 2023 and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Seneca Family of Agencies as of June 30, 2024, and Seneca Family of Agencies and subsidiary as of June 30, 2023, and the changes in net assets and 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Seneca Family of Agencies 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 opinions.

Emphasis of Matter

As discussed in Note 26, the financial statements as of June 30, 2024 and for the year then ended are presented on a deconsolidated basis, reflecting the loss of control of the subsidiary on June 6, 2024. In contrast, the financial statements as of June 30, 2023 and for the year then ended were prepared on a consolidated basis, reflecting the financial position and results of Seneca Family of Agencies and its subsidiary. Our opinion is not modified with respect to this matter.

CERTIFIED PUBLIC ACCOUNTANTS
411 BOREL AVENUE, SUITE 501 SAN MATEO, CA 94402 (650) 432-6110 FAX (650) 432-6116

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 Seneca Family of Agencies' ability to continue as a going concern within 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 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 Seneca Family of Agencies' 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 Seneca Family of Agencies' 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 audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* 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. The accompanying schedule of expenditures of Alameda County grants and schedule of expenditures of Sonoma County Grants are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards, schedule of Alameda County grants, and schedule of Sonoma County grants are 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 December 11, 2024, on our consideration of Seneca Family of Agencies' internal control over financial reporting and on our tests of controls of its compliance with certain 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 Seneca Family of Agencies' 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 Seneca Family of Agencies' internal control over financial reporting and compliance.

Gilmore & Associates LLP

San Mateo, California
December 11, 2024

SENECA FAMILY OF AGENCIES

Statements of Financial Position

June 30, 2024 and 2023

	2024 (Deconsolidated)	2023 (Consolidated)
Assets		
Current assets		
Cash and cash equivalents	$ 22,683,817	$ 16,577,314
Investments	462,771	2,081,727
Accounts receivable:		
Government agencies	44,282,105	36,209,158
Other, net	4,132,417	3,786,737
Prepaid expenses	2,293,052	1,427,850
	73,854,162	60,082,786
Property and equipment - net		
Held and used	52,643,827	54,802,847
Held for sale	5,417,823	8,355,070
	58,061,650	63,157,917
Other assets		
Deposits	1,465,532	1,598,261
Operating lease right-of-use asset	1,565,185	1,185,156
Software development costs	577,100	549,686
Other	45,200	45,200
	3,653,017	3,378,303
	$ 135,568,829	$ 126,619,006

See accompanying footnotes.

SENECA FAMILY OF AGENCIES

Statements of Financial Position

June 30, 2024 and 2023

Liabilities and Net Assets		2024 (Deconsolidated)		2023 (Consolidated)
Liabilities				
Current liabilities				
Accounts payable	$	2,682,047	$	2,123,768
Accrued liabilities		14,377,825		13,172,674
Reserves		1,895,497		1,861,340
Overpayments		8,756,022		7,872,030
Refundable advances		7,484,767		4,778,387
Notes payable		238,402		235,123
Bonds payable		1,114,389		922,032
Operating lease liability		836,993		578,075
		37,385,942		31,543,429
Long term liabilities				
Reserves		9,209,074		7,601,848
Notes payable		8,252,210		8,490,603
Bonds payable		29,389,651		36,672,768
Operating lease liability		628,721		262,826
		47,479,656		53,028,045
		84,865,598		84,571,474
Net assets				
Without restrictions		50,157,445		40,589,750
With restrictions		545,786		1,457,782
		50,703,231		42,047,532
	$	135,568,829	$	126,619,006

See accompanying footnotes.

SENECA FAMILY OF AGENCIES

Statement of Activities and Changes in Net Assets

Year Ended June 30, 2024

	Without Restrictions	With Restrictions	Total (Deconsolidated)
Revenue and support			
Contributions			
General	$ 3,562,698	$ 3,645,694	$ 7,208,392
In-kind	385,419	-	385,419
Government contracts	162,826,139	-	162,826,139
Program service fees	16,266,177	-	16,266,177
Special events (net of expenses of $179,449)	362,358	-	362,358
Other revenue	5,759,404	-	5,759,404
Investment return	761,475	-	761,475
Net assets released from restrictions	4,557,690	(4,557,690)	-
	194,481,360	(911,996)	193,569,364
Expenses			
Program services	156,125,501	-	156,125,501
Support services	27,079,936	-	27,079,936
	183,205,437	-	183,205,437
Changes in net assets	11,275,923	(911,996)	10,363,927
Net assets, beginning of year	40,589,750	1,457,782	42,047,532
Adoption of ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326)*	(298,998)	-	(298,998)
Net assets, beginning of year - adjusted	40,290,752	1,457,782	41,748,534
Deconsolidation adjustment - loss of control of subsidiary	(1,409,230)	-	(1,409,230)
Net assets, end of year	$ 50,157,445	$ 545,786	$ 50,703,231

See accompanying footnotes.

SENECA FAMILY OF AGENCIES AND SUBSIDIARY

Consolidated Statement of Activities and Changes in Net Assets

Year Ended June 30, 2023

	Without Restrictions	With Restrictions	Total (Consolidated)
Revenue and support			
Contributions			
General	$ 468,796	$ 4,518,428	$ 4,987,224
In-kind	314,247	-	314,247
Government contracts	156,924,225	-	156,924,225
Program service fees	11,879,613	-	11,879,613
Special events (net of expenses of $221,001)	267,922	-	267,922
Other revenue	2,816,541	-	2,816,541
Investment return	88,347	-	88,347
Net assets released from restrictions	4,702,557	(4,702,557)	-
	177,462,248	(184,129)	177,278,119
Expenses			
Program services	150,932,048	-	150,932,048
Support services	23,522,193	-	23,522,193
	174,454,241	-	174,454,241
Changes in net assets	3,008,007	(184,129)	2,823,878
Net assets, beginning of year	37,581,743	1,641,911	39,223,654
Net assets, end of year	$ 40,589,750	$ 1,457,782	$ 42,047,532

See accompanying footnotes.

SENECA FAMILY OF AGENCIES

Statement of Functional Expenses

Year Ended June 30, 2024

	Community Based Services	Education Services	Foster Care and Permanency	Training	Total Program Services	Development	Management and General	Total (Deconsolidated)
Payroll								
Salaries	$ 62,563,725	$ 35,085,454	$ 3,933,524	$ 1,779,538	$ 103,362,241	$ 710,682	$ 13,031,630	$ 117,104,553
Payroll taxes and employee benefits	15,194,827	8,546,887	958,214	433,499	25,133,427	173,124	3,010,471	28,317,022
Total Payroll	77,758,552	43,632,341	4,891,738	2,213,037	128,495,668	883,806	16,042,101	145,421,575
Operations								
Advertisement and recruitment	197,036	101,247	79,726	5,133	383,142	6,826	9,976	399,944
Bank fee	2,269	188	515	-	2,972	11,637	19,570	34,179
Clothing	2,567	-	(2,007)	-	560	-	-	560
Conferences and training	335,732	668,503	31,491	12,139	1,047,865	3,114	145,093	1,196,072
Contingency reserve	-	-	-	-	-	-	1,391,056	1,391,056
Contract services	11,610,961	613,489	37,117	736,573	12,998,140	37,232	2,090,420	15,125,792
Credit losses	64,817	-	-	-	64,817	-	-	64,817
Equipment leases	24,396	7,709	2,071	69	34,245	254	8,877	43,376
Family service fees	370,084	-	1,243,227	-	1,613,311	-	-	1,613,311
Food	122,241	163,495	-	-	285,736	-	-	285,736
Fundraising	-	-	-	-	-	15,092	37,284	52,376
Government fees	61,309	46,570	12,634	376	120,889	561	365,836	487,286
In-kind	299,828	-	4,225	-	304,053	57,519	23,847	385,419
Insurance	6,470	-	-	-	6,470	-	980,151	986,621
Interest	459,428	135,843	73,120	3,427	671,818	2,952	415,632	1,090,402
Medical - Non Medi-Cal	17,177	16,382	261	27	33,847	1	26,193	60,041
Occupancy	716,019	507,872	96,857	-	1,320,748	-	68,004	1,388,752
Printing	2,659	2,457	204	606	5,926	619	10,589	17,134
Repairs and maintenance	1,101,513	632,993	87,355	3,046	1,824,907	16,579	373,701	2,215,187
Special events	13,511	127,228	-	-	140,739	-	-	140,739
Subscription and dues	293,880	125,619	42,625	10,218	472,342	26,868	1,966,230	2,465,440
Supplies and postage	819,324	786,940	159,279	3,372	1,768,915	12,431	767,170	2,548,516
Telephone	564,843	229,585	59,322	6,716	860,466	3,307	225,300	1,089,073
Transportation	1,090,689	229,373	103,813	4,443	1,428,318	3,517	174,427	1,606,262
Travel	255,506	74,741	5,206	15,885	351,338	16,966	153,070	521,374
Utilities	398,230	229,854	69,615	1,289	698,988	5,642	116,676	821,306
Total Expenses Before Depreciation	96,589,041	48,332,429	6,998,394	3,016,356	154,936,220	1,104,923	25,411,203	181,452,346
Depreciation	732,152	368,305	82,158	6,666	1,189,281	7,278	556,532	1,753,091
Total Direct Expenses	97,321,193	48,700,734	7,080,552	3,023,022	156,125,501	1,112,201	$ 25,967,735	$ 183,205,437
Allocable Management & General Expense	16,072,551	8,042,904	1,169,350	499,251	25,784,056	183,679		
Total Expense	$ 113,393,744	$ 56,743,638	$ 8,249,902	$ 3,522,273	$ 181,909,557	$ 1,295,880		

See accompanying footnotes.

SENECA FAMILY OF AGENCIES AND SUBSIDIARY

Consolidated Statement of Functional Expenses

Year Ended June 30, 2023

	Community Based Services	Education Services	Foster Care and Permanency	Training	Total Program Services	Development	Management and General	Total (Consolidated)
Payroll								
Salaries	$ 59,372,976	$ 34,903,586	$ 4,025,349	$ 1,931,657	$ 100,233,568	$ 679,089	11,782,952	$ 112,695,609
Payroll taxes and employee benefits	13,280,365	7,836,727	903,791	433,705	22,454,588	152,473	2,645,566	25,252,627
Total Payroll	72,653,341	42,740,313	4,929,140	2,365,362	122,688,156	831,562	14,428,518	137,948,236
Operations								
Advertisement and recruitment	172,037	93,440	83,309	5,189	353,975	11,925	41,740	407,640
Bank fee	8,072	72	646	-	8,790	4,997	44,499	58,286
Clothing	3,060	-	(509)	-	2,551	-	-	2,551
Conferences and training	271,362	437,244	14,947	22,047	745,600	1,202	94,190	840,992
Contingency reserve	-	-	-	-	-	-	111,350	111,350
Contract services	10,340,796	707,504	101,123	561,714	11,711,137	8,755	2,277,932	13,997,824
Credit losses	77,318	-	-	-	77,318	-	750	78,068
Equipment leases	43,163	15,609	1,625	154	60,551	190	(21,834)	38,907
Family service fees	368,662	-	1,676,190	7,600	2,052,452	-	-	2,052,452
Food	53,417	84,225	52	-	137,694	-	-	137,694
Fundraising	53	-	-	-	53	23,732	6,814	30,599
Government fees	65,087	10,464	10,065	947	86,563	1,561	301,036	389,160
In-kind	181,035	-	4,035	-	185,070	68,255	60,922	314,247
Insurance	-	-	-	-	-	-	967,797	967,797
Interest	432,912	141,644	118,586	8,254	701,396	3,099	412,369	1,116,864
Medical - Non Medi-Cal	29,231	28,980	906	-	59,117	-	22,916	82,033
Occupancy	802,149	678,649	103,441	-	1,584,239	-	194,977	1,779,216
Printing	4,736	5,176	406	32	10,350	9,416	11,873	31,639
Repairs and maintenance	1,363,232	1,103,768	138,532	10,042	2,615,574	11,498	399,340	3,026,412
Special events	7,178	145,186	-	-	152,364	-	-	152,364
Subscription and dues	322,729	110,836	19,433	6,889	459,887	28,414	1,499,445	1,987,746
Supplies and postage	1,709,070	935,100	103,492	4,377	2,752,039	22,130	405,191	3,179,360
Telephone	639,448	337,648	106,104	13,694	1,096,894	4,106	187,904	1,288,904
Transportation	1,021,768	187,738	129,300	2,577	1,341,383	2,995	182,321	1,526,699
Travel	110,031	86,706	4,910	17,214	218,861	14,716	91,435	325,012
Utilities	401,952	233,847	74,251	2,759	712,809	4,091	123,908	840,808
Total Expenses Before Depreciation	91,081,839	48,084,149	7,619,984	3,028,851	149,814,823	1,052,644	21,845,393	172,712,860
Depreciation	596,097	370,026	138,265	12,837	1,117,225	6,489	617,667	1,741,381
Total Direct Expenses	91,677,936	48,454,175	7,758,249	3,041,688	150,932,048	1,059,133	$ 22,463,060	$ 174,454,241
Allocable Management & General Expense	13,549,253	7,161,133	1,146,606	449,537	22,306,529	156,531		
Total Expense	**$ 105,227,189**	$ 55,615,308	$ 8,904,855	$ 3,491,225	$ 173,238,577	$ 1,215,664		

See accompanying footnotes.

SENECA FAMILY OF AGENCIES

Statements of Cash Flows

Years Ended June 30, 2024 and 2023

	2024 (Deconsolidated)	2023 (Consolidated)
Cash flows from operating activities		
Changes in net assets	$ 10,363,927	$ 2,823,878
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Depreciation	1,846,377	1,882,585
Amortization of software costs	57,783	-
Write off disposed leasehold improvements	-	117,734
Adjustment for adoption of credit loss standard	(298,998)	-
Amortization of bond issuance and debt issuance costs	21,995	21,996
Gain on sale of real property	(3,539,881)	(1,068,775)
Other disposals	462	16,450
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable - government agencies	(8,072,947)	(6,033,170)
Accounts receivable - other	(345,680)	200,647
Prepaid expenses	(865,202)	146,387
Deposits	132,729	382,946
Operating lease asset	(380,029)	(1,185,156)
Increase (decrease) in:		
Accounts payable	558,279	168,964
Accrued liabilities	1,205,546	(2,031,075)
Reserves	1,641,383	1,250,006
Overpayments	883,992	(1,684,295)
Refundable advances	2,706,380	609,937
Operating lease liability	624,813	840,901
Net cash provided (used) by operating activities	6,540,929	(3,540,040)
Cash flows from investing activities		
Proceeds from sale of real estate	9,019,132	3,366,407
Purchase of property and equipment	(2,229,823)	(4,829,516)
Payments for software development costs	(85,197)	(119,606)
Reduction in cash upon loss of control of subsidiary	(1,409,625)	-
Sale (purchase) of investments	1,618,956	(1,688,409)
Net cash provided (used) by investing activities	6,913,443	(3,271,124)
Cash flows from financing activities		
Principal payments on bonds payable	(7,107,295)	(2,009,243)
Principal payments on notes payable	(240,574)	(1,107,362)
Proceeds from note payable drawdown component	-	2,377,000
Net cash (used) by financing activities	(7,347,869)	(739,605)
Net increase (decrease) in cash	6,106,503	(7,550,769)
Cash and cash equivalents, beginning of year	16,577,314	24,128,083
Cash and cash equivalents, end of year	$ 22,683,817	$ 16,577,314
Supplemental disclosures		
Interest paid	$ 1,194,083	$ 1,291,917
Noncash transactions - see Note 25		

See accompanying notes

Note 1 - The Organization

Founded in 1985 as a small Bay Area residential and day treatment program, Seneca has since grown into a leading provider of a broad continuum of permanency, mental health, education, and juvenile justice services, impacting over 22,000 youth and families throughout California and Washington State each year.

Seneca's mission is simple yet powerful: to help children and families through the most difficult times of their lives. We are driven by the belief that children and families do not fail; rather, they are failed by systems unable to meet their complex needs. Guided by our core values of love and compassion, hope and courage, respect, curiosity, joy, equity, and justice, we promise to support every child and family at every step of their journey.

At the heart of Seneca's services is our Unconditional Care® model, a commitment to do whatever it takes to support the young people and families we serve. This model integrates relational, behavioral, and ecological assessment and intervention, ensuring comprehensive and individualized care across 150 community-based, crisis, school-based, and permanency programs:

Community-Based Services – Seneca partners with child and family-serving groups, including social services, behavioral health, juvenile probation departments, and Managed Care Plans to provide a range of behavioral health services within California and Washington communities. General service types include assessment/plan development, therapy (individual, group, and family), rehabilitation (individual and group), case management, crisis intervention, Intensive Care Coordination, Intensive Home-Based Services, Therapeutic Behavioral Services and psychiatry and medication support services. Each community-based program tailors some or all of these services to its particular target population of children, youth, and/or families within the specifications of its contract. Seneca's most prevalent community-based programs include Wraparound, outpatient clinics, and case management programs, including Todo Por Mi Familia, a nationwide mental health initiative to support the thousands of immigrant parents and children who were forcibly separated at the U.S. border by connecting them to mental health services. In fiscal year 2023-2024 (FY 23-24), Seneca's community-based programs provided responsive services for 7,483 children and youth and their families.

Note 1 - The Organization (continued)

Crisis Services – Seneca's crisis programs ensure that children and youth experiencing a mental health crisis have access to therapeutic crisis services that will help them stabilize and connect to any additional supports needed to ensure their continued safety and well-being. These services are offered in the community (Intensive Stabilization Services, Mobile Crisis Response Teams, and Family Urgent Response System), in Partial Hospitalization Programs, in short-term Crisis Stabilization Units, and in crisis residential programs. In FY 23-24, there were over 2,000 program enrollments in Seneca's crisis programs and 5,941 hours of crisis intervention provided agency-wide.

School-Based Services – Seneca's school-based services include four nonpublic schools, 15 counseling-enriched classrooms (CECs), 16 whole-school partnerships with public and public charter schools, and individual and group academic, behavioral, and social-emotional interventions (including school-based Wraparound and case management) in 45 schools. This year, 173 students were served by the nonpublic schools, 199 students participated in CECs, 1,103 students received individualized interventions, and 5,945 students benefited from the culture and climate initiatives at Seneca's whole-school partnerships.

Permanency and Placement Programs – Seneca's permanency and placement programs work with foster children, their biological, resource, and/or adoptive families, Child Welfare workers, and other committed and supportive individuals to identify, secure, and support safe, therapeutic, and culturally responsive placements that will meet each child's individual needs. The agency's continuum of permanency programs serves over 2,200 children and families each year and includes Intensive Services Foster Care (ISFC), Enhanced-ISFC (E-ISFC), Emergency Foster Care, Short-Term Residential Therapeutic Programs, family visitation services, Family Finding and Engagement, relative/kinship caregiver programs, Resource Family Approval, and other foster family agency and adoption agency services. Seneca also operates The National Institute for Permanent Family Connectedness (NIPFC) to promote permanency for youth through training, consultation, and advocacy.

Note 1 - The Organization (continued)

Other Program Services - Seneca is committed to constantly improving its service through regularly advancing innovative approaches, researching and incorporating best practices in the field, and striving to provide comprehensive services that thoroughly address families' needs. Examples include:

- **Seneca's Institute for Advanced Practice (SIAP**): SIAP provides over 4,000 hours of training annually for staff, county partners, and community-based providers in a wide range of evidence-based and best practices.
- **Policy & Advocacy:** Seneca's policy and advocacy work focuses on improving local, state, and federal systems that serve children and families. The agency provides state policymakers with feedback and recommendations when new programs are being designed and implemented, supporting or opposing proposed new legislation, attending county Board of Supervisor meetings to conduct local advocacy, and sitting on state councils, commissions, and workgroups.

  Higher Education Partnerships: These programs offer Seneca employees the opportunity to earn a degree or teaching credential with scholarships and paid internships that allow them to continue earning full-time wages and benefits at Seneca throughout their educational program. Partnerships during FY 23-24 included Master's in Social Work programs at with the University of Southern California, Columbia University, California State University (CSU) Northridge, and CSU San Bernardino; a Master's in Family Therapy program with Pacific Oaks College; a Special Education Teaching Credential at Loyola Marymount University; and a Master's in Leadership, Equity, Administration, and Decision Making at the Reach
- **The Joint Commission Accreditation:** Behavioral health accreditation by The Joint Commission since 2010 reflects the agency's desire to use the highest standard of practice in care and treatment.

Subsidiary - Effective January 1, 2022, the Organization formed Alliance for Community Advocacy (d.b.a. Just Advocates), a 501(c)(3) nonprofit created to advocate on behalf of children and families with agencies and other governmental authorities at the local, state, and national levels. Just Advocates has a December 31 fiscal year end. Seneca committed $2 million in funding to Just Advocates over five years. During the year ended June 30, 2024 and 2023, Seneca provided $900,000 and $500,000 of this funding, respectively. Total cumulative funding provided through June 30, 2024 was $2 million.

On June 6, 2024, Seneca's Board of Directors authorized the severance of the relationship with Just Advocates. Because of a loss of control, Just Advocates will be deconsolidated as of June 6, 2024 (see Note 26).

Note 2 - Summary of Significant Accounting Policies

Principles of consolidation – The consolidated financial statements as of and for the year ended June 30, 2023, include the financial position, activities and cash flows of Seneca Family of Agencies and its subsidiary Alliance for Community Advocacy (d.b.a. Just Advocates), as Seneca controls and has an economic interest in its subsidiary for the full period. All significant intercompany accounts have been eliminated in consolidation.

As of and for the year June 30, 2024, the accompanying statements of financial position, activities and cash flows are presented on a deconsolidated basis. The accompanying statements of activities and cash flows include the accounts of Just Advocates from July 1, 2023, through June 6, 2024, the period it was under Seneca's control. All significant intercompany revenue and expense accounts through June 6, 2024, have been eliminated.

Basis of accounting - The accrual method of accounting is used, which reflects revenue when earned and expenses as incurred.

Basis of presentation - Resources are classified for accounting and reporting purposes into two classes of net assets, according to externally imposed restrictions:

> Net assets without restrictions - Net assets that are not subject to donor-imposed stipulations, which represent the expendable resources that are available for operations at management's discretion.
>
> Net assets with restrictions - Net assets subject to donor-imposed stipulations. Some donor stipulations are temporary, and can be fulfilled by actions of the Organization pursuant to those stipulations or by the passage of time. Other donor stipulations require the resources be maintained permanently by the Organization. Generally, the donors of such assets permit the Organization to use all or part of the income earned on the assets.

Cash and cash equivalents - Cash and cash equivalents include cash, money market accounts, and demand deposits held by financial institutions, and other highly liquid investments with a maturity of three months or less.

Accounts receivable – Accounts receivable includes receivables from governmental agencies and private foundations, as well as receivables related to rents and consulting income. The Organization uses an allowance method in order to reserve for potential uncollectible accounts receivable.

Contracts receivable – Contracts receivable are stated at the amount management expects to collect from outstanding contracts receivable balances (see Note 3).

Note 2 - Summary of Significant Accounting Policies (continued)

Property and equipment - Property and equipment in excess of $5,000 are stated at cost if purchased or at fair market value at the date of donation if donated. The Organization increased its capitalization threshold from $1,500 to $5,000, effective July 1, 2023. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Expenditures for maintenance and repairs are charged to expense as incurred.

Software development costs - The Organization capitalizes qualified software development costs. Capitalized costs are amortized over the estimated software life on a straight-line basis, beginning when the software is available for use. If the events and circumstances surrounding software development begin to exhibit impairment indicators, the Organization evaluates whether the capitalized software costs are recoverable (see Note 8).

Contributions and pledges receivable - Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discount is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

Investments - The Organization values its investments at fair value. Gains and losses (including investments bought, sold, and held during the year) are reflected in the statement of activities as investment return. Short-term highly liquid money market deposits that are not used for operations are treated as investments.

Fair value measurements - Generally accepted accounting principles provide guidance on how fair value should be determined when financial statement elements are required to be measured at fair value. Valuation techniques are ranked in three levels depending on the degree of objectivity of the inputs used with each level:

Level 1 inputs - quoted prices on active markets for identical assets
Level 2 inputs - quoted prices on active or inactive markets for the same or similar assets
Level 3 inputs - estimates using the best information available when there is little or no market

Note 2 - Summary of Significant Accounting Policies (continued)

The Organization is required to measure three types of assets and the related revenues at fair value: unconditional promises to give (pledges receivable), certain investments, and in-kind contributions. The specific techniques used to measure fair value for each element are described in the notes that relate to each element.

Contributions revenue – Unconditional contributions are recognized as revenue in the period received. Conditional contributions, that is those with measurable performance of other barriers and a right of return, are not recognized until the conditions on which they depend have been met. Contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Government grants and contracts that serve the general public are treated as conditional contributions if they include a barrier and a right of return or a right of release of the promisor's obligation. Revenue is recognized when a specific barrier is overcome (when performance goals are met or qualifying expenditures are incurred). Conditional contributions received in advance are accounted for as refundable advances until the conditions have been substantially met.

The Organization reports cash contributions as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

In-kind contributions – Contributed nonfinancial assets include donated supplies for use in programs, donated rent, donated professional services and other in-kind contributions which are recorded at the respective fair values of the goods or services received (see Note 18). In addition to contributed nonfinancial assets, volunteers contribute significant amounts of time to program services, however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles.

Other revenues - The Organization records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received, when the event takes place. Program services billed to third-party insurers and other nonprofit organizations are recognized as the services are performed.

Note 2 - Summary of Significant Accounting Policies (continued)

Functional allocation of expenses – The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management as follows:

- fixed operating costs charged to each appropriate funding stream are either allocated equally, or in reasonable proportion to the benefit provided or other equitable relationship.
- direct service costs, including maintenance costs and non-payroll costs associated with recruitment and advertising, are allocated based on the total of direct payroll salaries to total activity costs.
- shared costs to all programs include those expenses that are not directly identifiable with any other specific function but provide the overall support and direction of the Organization, including costs associated with the executive office, human resources, accounting, information technology, data collection, research and evaluation, the Organization's diversity, equity and inclusion initiative, and quality assurance. Allocation to each program is determined based on a ratio of total allocable costs to total direct program costs.

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

Income taxes - Seneca Family of Agencies and Just Advocates are both exempt from taxation under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d, and are considered by the IRS to be organizations other than a private foundation.

Generally accepted accounting principles provide accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken in the Organization's federal and state exempt organization and business income returns are more likely than not to be sustained upon examination.

Note 2 - Summary of Significant Accounting Policies (continued)

Adoption of credit loss standard – In June 2016, the FASB issued Accounting Standards Update 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which changed how entities measure credit losses for most financial assets. The most significant change is a shift from the incurred loss model to the expected loss model. Disclosures are required to provide users of the financial statements with useful information for analyzing an organization's exposure to credit risk and the measurement of credit losses. Financial assets held by the Organization that are subject to this guidance include contracts receivable.

The standard is effective for years beginning after December 15, 2022; the Organization adopted the standard effective July 1, 2023, utilizing a cumulative-effect adjustment for financial assets measured at amortized cost as of the beginning of the period of adoption. As a result, the Organization recorded a transition adjustment as of July 1, 2023, including a $298,998 increase to the allowance for credit losses for contracts receivable, which is presented on the statement of financial position as a reduction to the total amount of contracts receivable, and a decrease of $298,998 to beginning net assets, which represents the cumulative effect of adoption.

Adoption of lease accounting standard – Effective July 1, 2022, the Organization adopted Accounting Standards Update 842, *Leases*. The new standard establishes a right of use (ROU) model that requires a lessee to record an ROU asset and a corresponding lease liability on the balance sheet for all leases with terms longer than 12 months. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities.

The Organization recognized and measured leases existing at, or entered into after, July 1, 2022 (the beginning of the period of adoption) through a cumulative effect adjustment, with certain practical expedients available. The adoption resulted in the recognition of a right-of-use asset of $2,251,929 and an operating lease liability of $2,251,929 as of July 1, 2022. The adoption did not have a material impact on the Organization's results of operations or cash flows.

Note 3 - Contracts Receivable

The timing of revenue recognition, billings and cash collections for non-governmental program service fees results in contracts receivable. Amounts are billed as work progresses in accordance with contractual terms on a monthly basis. Generally, billing occurs subsequent to revenue recognition, resulting in contracts receivable, which represent an unconditional right to payment.

The contracts receivable balances as of June 30, are as follows:

	2024	2023	2022
Contract receivable, included in Accounts Receivable - Other	$ 3,348,504	$ 2,955,498	$ 3,070,329
Less: Allowance for Credit Losses - see Note 4	(298,998)	-	-
	$ 3,049,506	$ 2,955,498	$ 3,070,329

Note 4 - Allowance for Credit Losses

Contracts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for expected credit losses through a charge to earnings and a credit to a valuation allowance based on historical experience, current conditions and reasonable and supportable forecasts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to contracts receivable.

Changes in the allowance for credit losses during the year were as follows:

Balance, July 1, 2023	$ -
Adoption of ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326)*	298,998
Balance, June 30, 2024	$ 298,998

Note 5 - Property and Equipment

Classification as Held and Used: As of June 30, property and equipment held for use in operations consists of the following:

	2024	2023
Land	22,002,865	$ 23,033,186
Buildings	25,625,090	26,654,441
Leasehold improvements	11,595,388	10,939,664
Furniture and equipment	2,828,196	2,970,574
Vehicles	1,440,697	2,072,060
Portable buildings	330,544	178,314
Construction in progress		
Real estate	1,531,087	895,460
	65,353,867	66,743,699
Accumulated depreciation	(12,710,040)	(11,940,852)
	$ 52,643,827	$ 54,802,847

For the years ended June 30, 2024 and 2023, depreciation expense was $1,846,377 and $1,882,585, respectively. $93,285 and $141,489 of depreciation has been netted against rental revenues.

The Organization leases a portion of its commercial space at various locations to other organizations, and leased land in Oakland, California, to a telecommunications company through October 2023. Leases are for various terms expiring through July 2030.

At June 30, fixed assets included in property and equipment held and used that are utilized in leasing activities are as follows:

	2024	2023
Land	$ 589,395	$ 1,595,568
Buildings	1,943,333	3,294,645
Leasehold improvements	292,006	1,056,212
	2,824,734	5,946,425
Accumulated depreciation	(772,755)	(1,449,366)
	$ 2,051,979	$ 4,497,059

Total lease income, net of related expenses, for the years ended June 30, 2024 and 2023 is $159,476 and $57,593, respectively, and is included in other revenue (see Note 19).

Note 5 - Property and Equipment (continued)

Classification as Held for Sale: As of June 30, property and equipment held for sale consists of the following:

	2024	2023
Land	$ 3,880,405	$ 4,615,330
Buildings	1,616,110	3,333,382
Furniture and equipment	-	-
Leasehold improvements	278,029	1,773,388
	5,774,544	9,722,100
Accumulated depreciation	(356,721)	(1,367,030)
	$ 5,417,823	$ 8,355,070

On September 29, 2023, the Organization sold property in Santa Rosa, California for $1,300,000 cash. The Organization recognized a gain of $533,217 on the sale. The real property was classified as held for sale as of June 30, 2023.

On October 10, 2023, the Organization sold property in Petaluma, California for $2,700,000 cash. The Organization recognized a gain of $155,624 on the sale. The real property was classified as held for sale as of June 30, 2023.

On November 1, 2023, the Organization sold property in Oakland, California for $6,000,000 cash. The Organization recognized a gain of $2,851,040 on the sale. The real property was classified as held for sale as of June 30, 2023.

Note 6 - Investments

The balances of investment assets measured at fair value as of June 30, 2024 and 2023 are $462,771 and $2,081,727 respectively. Investment returns for the years ended June 30, 2024 and 2023, respectively, are included with interest income on the statement of activities as follows:

	2024	2023
Investment return		
Interest and dividends	$ 718,388	$ 65,292
Unrealized gains	30,984	22,361
	749,372	87,653
Other non-investment interest	12,103	694
	$ 761,475	$ 88,347

All investment return is classified as unrestricted in the statement of activities.

Note 7 - Fair Value Measurements

The table below presents the balances of assets or liabilities measured at fair value on a recurring basis as of June 30, 2024 and 2023, respectively:

Level 2	2024	2023
Certificate of deposit	$ -	$ 1,658,272
Pooled securities	462,771	423,455
Total investments	$ 462,771	$ 2,081,727

The fair value of pooled securities has been measured on a recurring basis using quoted prices in active markets for the same or similar assets (Level 2 inputs).

The certificate of deposit is valued at principal plus accrued interest, which approximates fair value due to the short-term nature of these investments (term of one year or less) (Level 2 inputs).

Transactions measured at fair value on a non-recurring basis during the years ended June 30, 2024 and 2023, respectively, are $385,419 and $314,247 of in-kind contributions (see Note 18).

The fair values of in-kind contributions are measured on a non-recurring basis using quoted prices for similar assets in inactive markets (Level 2 inputs). The fair values of pledged contributions are measured on a non-recurring basis, based on the value provided by the donor at the date of the pledge (Level 3 inputs).

Note 8 - Software Development Costs

Capitalized software development costs as of June 30 consist of the following:

	2024	2023
Licensed software development costs	$ 634,883	$ 549,686
Accumulated amortization	(57,783)	-
	$ 577,100	$ 549,686

Amortization expense for the year ended June 30, 2024, was $57,783. The licensed software was placed in service on July 1, 2023, and no amortization expense was recorded for the year ended July 30, 2023, as the software was in the development stage during that period.

Note 9 - Accrued Liabilities

Accrued liabilities as of June 30, consist of the following:

	2024	2023
Wages	$ 2,281,296	$ 2,118,783
Vacation	6,842,464	6,981,702
Payroll taxes and benefits	2,746,530	1,519,769
Private insurance offset	1,329,293	1,239,546
Other liabilities	1,178,242	1,312,874
	$ 14,377,825	$ 13,172,674

Note 10 - Line of Credit

The Organization has a $4,750,000 revolving credit agreement with JP Morgan Chase Bank. The line of credit was due to mature on March 1, 2024, but has been extended to July 1, 2025. It bears interest at the bank's prime rate (8.50% and 8.25% per annum at June 30, 2024 and 2023, respectively) with a lifetime minimum interest rate of 5.00% per annum. The line of credit is secured by the Organization's accounts, equipment and inventory. At June 30, 2024 and 2023, the outstanding balance under this line of credit was $0.

The line of credit is subject to reporting and financial related covenants and management believes the Organization was in compliance with all covenants as of June 30, 2024 and 2023.

Note 11 - Liability for Overpayments Received

Timing differences in recording terminations from the various programs result in receipts for services relating to children who have left the programs. These receipts may be refundable to the county agencies providing the funds. Accordingly, the Organization records these amounts as a liability. The Organization is contacted by county agencies on a child-by-child basis or a contract basis regarding the repayment process.

If no action or response to inquiries on overpayments is received by the Organization five years subsequent to receipt of funds, the funds are recognized as income. Under this policy, $214,742 and $360,134 of overpayments were taken into income in the years ended June 30, 2024 and 2023, respectively, and are included in other revenue on the statement of activities (see Note 19).

Note 11 - Liability for Overpayments Received (continued)

Overpayments also include contract advances from certain counties to facilitate continued operations during the pandemic, and amounts owed for county cost reconciliation reports prepared annually.

Note 12 - Notes Payable

Notes payable as of June 30, are as follows:

		2023	2022
Note payable to JP Morgan Chase (formerly First Republic Bank), secured by real property, payable in monthly installments of $34,299, including interest at 3.45%, due April 1, 2052.	$	6,319,829	$6,506,176
Note payable to JP Morgan Chase (formerly First Republic Bank), secured by real property, payable in monthly installments of $10,893, including interest at 3.45%, due April 1, 2052.		2,322,774	2,377,000
Less debt issuance costs, net of amortization		(151,991)	(157,450)
Notes payable, net		8,490,612	8,725,726
Current portion		(238,402)	(235,123)
	$	8,252,210	$8,490,603

Debt maturities of notes payable, net of amortization, are as follows:

Year ending June 30		
2025	$	238,402
2026		247,070
2027		256,047
2028		264,597
2029		274,941
Thereafter		7,209,555
	$	8,490,612

Note 13 - Bonds Payable

In April 2021, the Organization issued a California Infrastructure and Economic Development Bank 2021 Tax-Exempt Bonds of $42,000,000 financed through First Republic Bank for the purpose of refinancing prior indebtedness and acquisition of additional real property to further the Organization's mission.

The 2021 Tax-Exempt Bond includes a Bond Component of $37,158,841 and a Drawdown Component with the maximum advances amount of $4,841,159.

As of June 30, 2024 and 2023, $42,000,000 of California Infrastructure and Economic Development Bank Tax-Exempt Revenue Bonds have been issued under the agreement. Principal payments began April 2021 including interest at 2.60% with final payment due April 1, 2051. At June 2024 and 2023, the outstanding Bond Component balance was $25,910,632 and $32,885,445, respectively. At June 2024 and 2023, the outstanding bond term-loan balance was $4,593,408 and 4,709,355, respectively.

. Proceeds from issuance of 2021 Tax-Exempt Bonds, including the draw-down component, were used for the following purposes:

Principal payments on Wells Fargo 2016A bond	$ 8,369,124
Principal payments on Wells Fargo 2016B bond	957,475
Principal payments of First Republic Bank 2019 bond	22,437,496
First Republic Bank line of credit repayment	4,140,545
Reimbursement for property renovations	2,060,540
Reimbursement for purchase of real property	3,538,760
Issuance costs and discounts	496,060
	$ 42,000,000

As required by the terms of the bond regulatory agreement, the Organization must satisfy certain restrictive covenants which, among other terms, requires the maintenance of certain financial ratios and operational levels, places limits on other indebtedness, and requires certain informational reports. The Organization has pledged security interests in certain real property.

Note 13 - Bonds Payable (continued)

Bonds payable as of June 30, 2024 consist of the following:

	Bond Component	Drawdown Component converted to Term-Loan	Total
Bond payable, gross	$ 26,354,331	$ 4,593,408	$ 30,947,739
Debt issuance costs, net of amortization	(443,699)	-	(443,699)
Bonds payable, net	25,910,632	4,593,408	30,504,040
Current portion	(993,385)	(121,004)	(1,114,389)
	$ 24,917,247	$ 4,472,404	$ 29,389,651

Bond payable as of June 30, 2023, consisted of the following:

	Bond Component	Drawdown Component	Total
Bond payable, gross	$ 33,345,679	$ 4,709,355	$ 38,055,034
Debt issuance costs, net of amortization	(460,234)	-	(460,234)
Bonds payable, net	32,885,445	4,709,355	37,594,800
Current portion	(804,457)	(117,575)	(922,032)
	$ 32,080,988	$ 4,591,780	$ 36,672,768

Expected maturities for the bonds, net of bond amortization, are as follows:

Year ending June 30	Bond Component	Term-loan Component	Total
2025	$ 993,385	$ 121,004	$ 1,114,389
2026	1,020,331	124,192	1,144,523
2027	1,047,997	127,463	1,175,460
2028	1,074,764	130,523	1,205,287
2029	1,105,519	134,258	1,239,777
Thereafter	20,668,636	3,955,968	24,624,604
	$ 25,910,632	$ 4,593,408	$ 30,504,040

Note 14 - Leases

The Organization leases various facilities and vehicles under operating leases expiring in various years through March 31, 2029. The Organization also operates programs in Ventura County for which it is allowed the use of facilities from a government agency at no cost (see Note 18). Management expects this arrangement to continue as long as the related programs are operating.

The Organization assesses whether an arrangement qualifies as a lease (i.e., conveys the right to control the use of an identified asset for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. Leases with an initial term of 12 months or less are not recorded on the statement of financial position.

The weighted-average discount rate is based on the discount rate implicit in the lease. The Organization elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. When applicable, the Organization includes renewal options in the determination of right-of-use assets and lease liabilities, when the options are reasonably certain to be exercised.

During the year ended June 30, 2024, the Organization modified several existing real estate lease agreements. The original lease terms were extended by an additional one to five years, now expiring through March 2029. This modification constitutes a lease modification under Accounting Standards Codification (ASC) 842-10-25-9. As a result of the reassessment, the Organization adjusted the operating lease right-of-use asset by $937,629 and the corresponding lease liability by $954,148 as of the modification date. The leases continue to be classified as operating leases.

Total right-of-use assets and lease liabilities at June 30, 2024 and 2023 are shown on the Statement of Financial Position as follows:

	2024	2023
Other assets - Operating lease right-of-use asset	$ 1,565,185	$ 1,185,156
Current liabilities - Operating lease liability	$ 836,993	$ 578,075
Long term liabilities - Operating lease liability	628,721	262,826
	$ 1,465,714	$ 840,901

Note 14 - Leases (continued)

A summary of total lease costs, by component, for the year ended June 30, 2024 and 2023 were as follows:

		2024		2023
Operating lease cost	$	1,049,359	$	1,348,660
Short-term lease cost		342,727		381,378
Variable lease cost		42,711		49,178
	$	1,434,797	$	1,779,216

The following summarizes the supplemental cash flow information from the years ended June 30, 2024 and 2023:

		2024		2023
Cash paid for amounts included in the measurement of lease liabilities:				
Operating cash flows from operating activities	$	821,094	$	-
Right-of use assets obtained in exchange for lease liabilities:				
Operating leases	$	444,356	$	241,101
Other:				
Operating lease modifications	$	954,148	$	-
Lease accounting implementation adjustment	$	-	$	2,251,929

The following summarizes the weighted-average remaining lease term and weighted-average discount rate for the years ended June 30, 2024 and 2023:

	2024	2023
Weighted-average remaining lease term in years	2.32	1.48
Weighed-average discount rate	3.32%	2.84%

As of June 30, 2024, the future minimum lease payments under the noncancelable operating lease with a term greater than one year are listed below:

Note 14 - Leases (continued)

Year ending June 30		
2024	$	804,367
2025		337,088
2026		264,130
2027		41,288
2028		31,608
Total lease payments		1,478,481
Implied interest		(12,767)
Present value of lease liability	$	1,465,714

Operating leases as lessor

The Organization has an existing operating sublease agreement for real estate property in Oakland, which was extended for an additional 10 years in November 2023. The property has an original cost of $1,776,903 and accumulated depreciation of $298,230 as of June 30, 2024, resulting in a net carrying amount of $1,478,673. The property is being depreciated on a straight-line basis over 30 years in accordance with the Organization's capitalization policy.

In addition, the Organization subleases several other properties on a month-to-month basis. The income generated from these month-to-month leases is recognized as lease income in the period in which it is earned.

Total lease income from all subleases for the year ended June 30, 2024, was $472,904, and $695,471 respectively.

The following table summarizes the undiscounted fixed cash flows from lease payments to be received under the operating leases:

Year ending June 30		
2025	$	203,563
2026		194,817
2027		200,662
2028		206,681
2029		212,882
Thereafter		235,772
	$	1,254,377

Note 15 - Net Assets with Restrictions

Net assets with donor restrictions are available for the following purposes as of June 30:

	2024	2023
Subject to expenditure for specified purposes:		
San Benito Placement	$ 359,840	$ 304,595
Friends Funds - Southern California	58,449	58,449
Friends Funds - San Luis Obispo	30,409	30,409
Cypress Funds	12,329	25,743
Monterey Outpatient Clinic	12,000	-
All in OC	-	355,650
GAIT	-	274,384
Monterey Family Ties	-	268,380
NoCal Placement	-	39,450
ISFC	-	32,831
Funds and programs with less than $10,000 at year end	7,584	2,716
	480,611	1,392,607
Donor restricted endowment for general use	65,175	65,175
	$ 545,786	$ 1,457,782

Note 16 - Endowments

Contributions to the Organization's endowment funds are subject to donor restrictions that stipulate the original principal is to be held and invested by the Organization indefinitely, and only the income may be expended for unrestricted or specified purposes. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization has adopted investment and spending policies for endowment assets to provide a predictable stream of revenues for operating activities and to preserve the purchasing power of the endowment assets. The Organization's endowment funds are held in cash and investment accounts.

Changes to the endowment net assets are as follows:

Note 16 - Endowments (continued)

Beginning balance July 1, 2022	$	65,175
		-
Ending balance June 30, 2023		65,175
		-
Ending balance June 30, 2024	$	65,175

All investment returns related to endowment assets were transferred to unrestricted net assets, as directed by the board spending policy.

Note 17 - Government Contract Revenues

Government contract revenues for the years ended June 30, 2024 and 2023 consist of the following:

	2024	2023
Community based programs	$ 102,121,613	$ 92,481,815
Education and school based programs	51,259,095	52,934,278
Foster care and permanency	9,445,431	10,745,533
Other government funding	-	762,599
	$ 162,826,139	$ 156,924,225

As of June 30, 2024, and 2023, respectively, the Organization received $7,484,767 and $4,778,387 in cost reimbursable grants and contracts that have not been recognized as revenue because qualifying expenditures have not yet occurred. These are shown on the statement of financial position as refundable advances.

Note 18 - Contributed Nonfinancial Assets

The Organization received the following contributions of nonfinancial assets for the years ended June 30:

	2024	2023
Rent	$ 297,792	$ 176,585
Donations for use in programs	63,779	76,739
Legal services	23,848	60,923
	$ 385,419	$ 314,247

Note 18 - Contributed Nonfinancial Assets (continued)

Donated goods and supplies for use in programs are valued at the U.S. wholesale price (principal market) of identical or similar products using pricing data under a ”like-kind” methodology considering the goods’ condition and utility for use at the time of the contribution.

The Organization receives donated professional services that would typically be purchases if not provided as an in-kind contribution. These services, which require specialized skills, are recognized as in-kind contributions at fair value when the contribution is made and are expensed when the services are rendered. The estimated fair value of these professional services is provided by the service provider, who estimates the fair value based on the date, time, and market in which each service is rendered.

The Organization also receives the use of donated facilities rent for certain program operations and supporting services. The Organization recognizes in-kind contribution revenue and a corresponding expense in an amount approximating the estimated fair value at the time of donation. Fair value is estimated using the average price per square foot of rental listings in the Organization’s service area. Donated rent is valued at the fair value of similar properties available in commercial real estate listing.

Note 19 - Other Revenue

Other revenue for the years ended June 30, 2024 and 2023 consists of the following:

	2024	2023
Gain on sale of real property	$ 3,539,881	$ 1,068,776
Miscellaneous program revenues and cost settlements	893,384	291,417
Family finding and identification services	667,870	703,504
Overpayments recognized	214,742	360,134
Lease income, net of expenses of $313,428 and $637,878, respectively	159,476	57,593
Computer consulting	46,000	66,000
Other consulting revenue	-	45,000
Other	238,051	224,117
	$ 5,759,404	$ 2,816,541

Note 20 - Other Commitments, Reserves and Contingencies

Pursuant to county, state and federal requirements for funding community service centers, the Organization's grants and contracts are subject to inspection and audit by the appropriate governmental funding agencies. The purpose is to determine whether program funds were used in accordance with their respective guidelines and regulations.

The potential exists for disallowance of previously funded program costs. The ultimate liability, if any, which may result from these governmental audits cannot be reasonably estimated and, accordingly, the organization has no provision for the possible disallowance of program costs on its financial statements.

In November 2023, the Organization was informed of a clerical billing error related to the provider NPI number on a Contra Costa County mental health contract, resulting in a denial of state funding to the county. Management believes the loss is both probable and estimable, and has accrued a $541,764 liability as of June 30, 2024, and 2023. The services have been rebilled to Contra Costa County, and management believes collection is likely but is waiting for formal resolution before reversing the loss.

The Organization is primarily funded through county, state, and federal government contracts, which are subject to political, financial, and operational risks which may affect the ongoing funding of contracts. To protect from any fiscal impact of changing contract terms potentially leading to sudden and unexpected loss of revenue, the Organization established a contracts contingency reserve. The reserve is based on a percentage of certain program revenues.

The Organization is fully self-insured through the state of California for its workers' compensation insurance costs. The Organization is liable for costs up to $500,000 per claim, with state and third-party insurance coverage for costs in excess of such amounts. Self-insurance costs are accrued based on claims reported as of the statement of financial position date as well as an estimated liability for claims incurred but not yet reported.

In October 2022, the Organization established an Employee Benefit plan for its employee health insurance costs. The Organization is liable for costs on claims up to $45,000 per claim. The Organization has third-party insurance coverage for any costs in excess of such amounts. Self-insurance costs are accrued based on claims reported as of the statement of position date as well as an estimated liability for claims incurred but not yet reported. The total reserve for self-insurance costs related to employee health insurance was $2,314,289 and $1,461,340 as of June 30, 2024 and 2023. Expenses relating to the self-insured medical programs for the years ended June 30, 2024 and 2023, were $3,357,967 and $2,205,961, respectively.

Note 20 - Other Commitments, Reserves and Contingencies (continued)

Effective November 16, 2022, the Organization established the property reserve fund to ensure its financial stability as upgrades and repairs on property assets become necessary. The total goal for the Property Reserve fund is to allocate 5% of the actual property assets to the fund over a period of five years, or until the goal is met or amended. For the years ended June 30, 2024 and 2023, the Organization allocated $363,778 and $111,350 to the fund, respectively. Expenditures from the fund totaled $101,560 and $0 for the years ended June 30, 2024 and 2023, respectively.

Total reserves on the statements of financial position as of June 30, 2024 and 2023 are as follows:

	2024	2023
Workers' compensation	$ 4,871,537	$ 5,187,431
Contract contingency	3,554,967	2,703,067
Self-insured health insurance	2,314,289	1,461,340
Property reserve	363,778	111,350
	11,104,571	9,463,188
Current portion	(1,895,497)	(1,861,340)
	$ 9,209,074	$ 7,601,848

Legal claims - The Organization is subject to certain claims and legal matters that have arisen in the ordinary course of business. The Organization carries professional liability insurance, subject to certain deductible and policy limits, against such claims. Although it is impossible to predict the ultimate outcome of these claims at this time, management believes that the outcome of these matters will not have a material adverse effect on the financial position, operations or liquidity of the Organization.

Note 21 - Concentration of Credit Risk

The Organization maintains cash balances and money market accounts at various financial institutions which are FDIC insured up to the limits allowed by law. At times such balances may exceed the insurance limit. The Organization has not experienced any losses in such accounts, and management believes the Organization is not exposed to any significant credit risk related to cash.

Note 22 - Retirement Plan

All employees with over 1,000 hours of service are covered by a 403(b) tax deferred annuity plan. Employees are eligible to participate in the plan immediately and are eligible for employer discretionary contributions after 24 months of service. Participants may elect to defer a percentage of their salaries, up to the amounts allowed by law. Employer contributions are at the discretion of the board of directors. For the year ended June 30, 2024, and 2023, the Organization expensed $2,334,534 and $1,110,161, respectively, in discretionary contributions; these amounts are included in accrued liabilities as of June 30, 2024 and 2023.

Note 23 - Subsequent Events

Management has evaluated subsequent events through December 11, 2024, the date on which the financial statements were available to be issued.

Note 24 - Information Regarding Liquidity and Availability

The Organization receives significant contributions with donor restrictions to be used in accordance with the associated purpose restrictions. It also receives gifts to establish endowments that will exist in perpetuity; the income generated from such endowments is used to fund programs. In addition, the Organization receives support without donor restrictions.

The Organization considers investment income without donor restrictions, appropriated earnings from donor restricted endowments, contributions without donor restrictions and contributions with donor restrictions for use in current programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures.

The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long terms obligations will be discharged. The Organization strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures. Financial assets in excess of daily cash requirements are invested in money market funds and other short-term investments. The Organization also has a line of credit available to meet cash flow needs (see Note 10).

The following table reflects the Organization’s financial assets as of June 30, 2024, excluding amounts that are not available to meet general expenditures within one year

Note 24 - Information Regarding Liquidity and Availability (continued)

of the statement of financial position date because of donor restrictions – see Note 15. Amounts not available to meet general expenditures within one year also may include net assets designated by the board for particular purposes. At June 30, 2024 and 2023, net assets with board designations were $449,103 and $410,424, respectively.

Following is the summary of financial assets available as of June 30:

	2024	2023
Financial assets at year end:		
Cash and cash equivalents	$ 22,683,817	$ 16,577,314
Accounts receivable - government agencies	44,282,105	36,209,158
Accounts receivable - other	4,132,417	3,786,737
Investments	462,771	2,081,727
	71,561,110	58,654,936
Donor imposed restrictions:		
Assets restricted for specified purposes	(545,786)	(1,457,782)
Net financial assets after donor-imposed restrictions	71,015,324	57,197,154
Internal designations:		
Assets designated for Central Coast operations	(449,103)	(410,424)
Total financial assets available to meet cash needs for general expenditures within one year	$ 70,566,221	$ 56,786,730

Note 25 - Non-cash Transactions

Following is the summary of non-cash transactions for the years ended June 30:

	2024	2023
In-kind contributions for use in operations	385,419	314,247

See Note 14 for information on non-cash transactions related to leases.

Note 26 – Deconsolidation of Subsidiary

On June 6, 2024, Seneca's Board of Directors authorized the termination of the relationship with its controlled subsidiary Just Advocates. and transferred control of all remaining net assets of the subsidiary, which consisted of the following assets and liabilities as of June 6, 2024:

Cash	$	1,409,625
Accrued expenses	$	(395)

After June 6, 2024, Seneca no longer holds any controlling financial interest or retains any economic interest in Just Advocates. The result is a deconsolidation of the subsidiary as of this date.

The deconsolidation was accounted for as a nonreciprocal transfer of net assets in accordance with the applicable provisions of Accounting Standards Codification (ASC) 958-605 (*Not-for-Profit Entities: Revenue Recognition*) and by analogy to ASC 810-10-40 (*Deconsolidation Guidance*). The assets transferred were measured at their carrying amount, and no gain or loss was recognized in the statement of activities and net assets for year ended June 30, 2024. The deconsolidation resulted in a $1,409,230 reduction in net assets without donor restrictions as of June 6, 2024.

Financial statements as of June 30, 2024 and for the year then ended are prepared on a deconsolidated basis. The statement of activities for the year ended June 30, 2024, includes Just Advocates revenues of $241,632 and change in net assets of ($271,522) for the period July 1, 2023 through June 6, 2024, after elimination of intercompany activity. Just Advocates' revenues of $101,565 and change in net assets of $54,862 from June 7, 2024 through June 30, 2024, have been excluded from these financial statements.

Financial statements as of June 30, 2023 and for the year then ended remain on a consolidated basis.

Supplementary Information

SENECA FAMILY OF AGENCIES

Schedule of Expenditures of Alameda County Grants

Year Ended June 30, 2024

Program Name	ACBH Mental Health	ACBH SBBH	ACBH Full Service Partnership
Procurement Contract Number	24988	25334	25348
Exhibit Number (or Description)	900121	900121	902147
Contract Period	07/01/23-06/30/24	07/01/23-06/30/24	07/01/23-06/30/25
Contract Amount	$ 20,727,358	$ 1,450,000	$ 34,721,263
Expenses			
Salaries and PR benefits	$ 13,689,516	$ 1,186,927	$ 652,973
Operating Expenses	2,028,212	48,791	73,967
Admin Allocation	2,538,381	199,566	117,399
Total Expenses	$ 18,256,109	$ 1,435,284	$ 844,339
Amount reimbursed by county	$ 18,260,223	$ 1,450,000	$ 825,370

SENECA FAMILY OF AGENCIES

Schedule of Expenditures of Sonoma County Grants

Year Ended June 30, 2024

Program Name	BH	Wrap MH	Wrap SS	ASIST	FURS
Master Contract Number	2023-1648-A01	2023-1611-A01	FYC-SFA-WRAP-2325	FYC-SFA-ASIST-2324	FYC-SFA-FURS-2324
Contract Period	07/01/2023-06/30/2027	07/01/2023-06/30/2024	07/01/2023-06/30/2025	07/01/2023-06/30/2024	07/01/2023-06/30/2024
Contract Amount	$ 5,500,000	$ 2,050,000	$ 4,268,000	$ 99,000	$ 351,805
Expenses					
Salaries and PR benefits	$ 743,499	$ 1,587,473	$ 988,548	$ 73,350	$ 240,708
Operating Expenses	71,858	253,203	134,630	2,950	9,059
Admin Allocation	131,639	297,175	182,210	11,445	40,325
Total Expenses	$ 946,996	$ 2,137,851	$ 1,305,388	$ 87,745	$ 290,092
Amount reimbursed by county	$ 969,318	$ 1,531,026	$ 1,921,882	$ 90,098	$ 286,435

Program Name	PERM	CAPS	YDCM	KKIS	ICM
Master Contract Number	FYC-SFA-LLC-2324	FYC-SFA-CAPS-2325	Seneca YDCM 123123	Seneca KKIS 063024	Seneca ICM 063024
Contract Period	07/01/2023-06/30/2024	07/01/2023-06/30/2025	01/01/2020-06/30/2024	07/01/2023-06/30/2024	07/01/2023-06/30/2024
Contract Amount	$ 150,000	$ 310,000	$ 1,353,952	$ 1,278,078	$ 699,999
Expenses					
Salaries and PR benefits	$ 106,761	$ 138,653	$ 263,210	$ 954,286	$ 472,635
Operating Expenses	4,134	5,842	19,558	58,729	27,108
Admin Allocation	17,904	23,328	45,653	163,550	80,683
Total Expenses	$ 128,799	$ 167,823	$ 328,421	$ 1,176,565	$ 580,426
Amount reimbursed by county	$ 127,174	$ 158,518	$ 321,836	$ 1,153,606	$ 573,130

See auditor’s report.

SENECA FAMILY OF AGENCIES

Schedule of Expenditures of Federal and Nonfederal Awards

Year Ended June 30, 2024

Grantor / Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures Federal	Expenditures Nonfederal	Expenditures Total
Department of Health & Human Services:					
Foster Care Title IV-E					
Pass-through - State of California Department of Social Services	93.658		$ 509,261	$ 1,191,020	$ 1,700,281
Pass-through - State of California Department of Social Services	93.658	19-3108	427,614	-	427,614
Pass-through - San Francisco Community College District	93.658		103,650	-	103,650
Pass-through - Contra Costa County, California	93.658		46,866	109,322	156,188
Pass-through - Marin County, California	93.658		110,285	257,253	367,538
Pass-through - Monterey County, California	93.658		109,119	-	109,119
Pass-through - Monterey County, California	93.658		17,701	41,290	58,991
Pass-through - Riverside County, California	93.658		25,445	59,355	84,800
Pass-through - San Francisco County, California	93.658		632	1,474	2,106
Pass-through - San Francisco County, California	93.658		394,686	920,656	1,315,342
Pass-through - San Francisco County, California	93.658		55,980	130,581	186,561
Pass-through - San Luis Obispo County, California	93.658		64,533	150,531	215,064
Pass-through - Santa Clara County, California	93.658		79,281	184,932	264,213
Subtotal - Foster Care Title IV-E			1,945,053	3,046,414	4,991,467
Temporary Assistance to Needy Families	93.558		1,330	-	1,330
Adoption Assistance					
Pass-through - State of California Department of Social Services	93.659		117,216	149,184	266,400
Unaccompanied Alien Children Program	93.676		14,035,765	-	14,035,765
Child Abuse and Neglect Discretionary Activities					
Pass-through - King County, Washington Department of Executive Services	93.670	90CA1825-01-01	33,500	-	33,500
Block Grants for Community Mental Health Services	93.958		58,386	-	58,386
			16,191,250	3,195,598	19,386,848
Department of Agriculture:					
Pass-through - State of California Department of Agriculture					
National Breakfast Program	10.553	161309703	5,298	-	5,298
National Lunch Program	10.555	161309703	12,363	-	12,363
			17,661	-	17,661
Department of the Treasury:					
Coronavirus State and Local Fiscal Recovery Fund					
Pass-through - State of California Department of Health Care Services	21.027		285,860	-	285,860
Pass-through - Solano County, California	21.027		253,203	-	253,203
			539,063	-	539,063
Department of Education:					
Education Innovation and Research: Compass Care	84.411C		105,741	-	105,741
Department of Justice:					
Child Abuse Treatment Program	16.575		254,533	-	254,533
			$ 17,108,248	$ 3,195,598	$ 20,303,846

See auditor’s report.

See accompanying notes to schedule of expenditures of federal and nonfederal awards.

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal and nonfederal awards includes the federal grant activity of Seneca Family of Agencies 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 the schedule presents only a selected portion of the operations of Seneca Family of Agencies, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Seneca Family of Agencies.

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, *Cost Principles for Non-profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 – Indirect Cost Rate

Seneca Family of Agencies has chosen to negotiate indirect costs rates with counties rather than electing to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

GILMORE & ASSOCIATES, LLP

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 Audit Committee of
Seneca Family of Agencies

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 Seneca Family of Agencies, which comprise the statement of financial position as of June 30, 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 11, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Seneca Family of Agencies' 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 in 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.

CERTIFIED PUBLIC ACCOUNTANTS
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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. 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.

Gilmore & Associates LLP

San Mateo, California
December 11, 2024

Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

To the Audit Committee of
Seneca Family of Agencies

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Seneca Family of Agencies' 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 Seneca Family of Agencies' major federal programs for the year ended June 30, 2024. Seneca Family of Agencies' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Seneca Family of Agencies 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, 2024.

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 Seneca Family of Agencies 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 Seneca Family of Agencies' 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 Seneca Family of Agencies' federal programs.

CERTIFIED PUBLIC ACCOUNTANTS
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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 Seneca Family of Agencies' 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 Seneca Family of Agencies Organization's 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 Seneca Family of Agencies compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Seneca Family of Agencies' 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 Seneca Family of Agencies' 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.

Gilmore & Associates LLP

San Mateo, California
December 11, 2024

SENECA FAMILY OF AGENCIES

Schedule of Findings and Questioned Costs

Year Ended June 30, 2024

Summary of Auditors' Results

1. The auditors' report expresses an unmodified opinion on the financial statements of Seneca Family of Agencies.

2. No significant deficiencies related to the audit of the financial statements are reported in the 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*.

3. No instances of non-compliance material to financial statements of Seneca Family of Agencies, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

4. No significant deficiencies relating to the audit of the major federal award programs are reported in the Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by Uniform Guidance.

5. The auditors report on compliance for the major federal award programs for Seneca Family of Agencies expresses an unmodified auditors' report on all major programs.

6. No audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) were identified.

7. The programs tested as major programs include:

CFDA #93.676 - Unaccompanied Alien Children Program	$14,035,765
CFDA #21.027 – Coronavirus State and Local Recovery Funds	$ 539,063

8. The dollar threshold used to distinguish between type A and type B programs is $750,000.

9. Seneca Family of Agencies was determined not to be a low-risk auditee.

Financial Statement Findings

No matters were reported.

Findings and Questioned Costs – Major Federal Awards Program Audit

No matters were reported.