

# **SJRC Texas, Inc.**

**Financial Statements  
with Compliance Report and  
Supplementary Information**

**December 31, 2024**



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## **Independent Auditor's Report**

To the Board of Directors of  
SJRC Texas, Inc.

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

#### ***Opinion***

We have audited the accompanying financial statements of SJRC Texas, Inc. (SJRC Texas) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of SJRC Texas as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

#### ***Basis for Opinion***

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

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, 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 SJRC Texas' 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

## Independent Auditor's Report (Continued)

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of SJRC Texas' 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 SJRC Texas' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statement as a whole. The accompanying schedule of expenditures of federal and state awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards*, and *State of Texas Grant Management Standards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal and state awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

### Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2025, on our consideration of SJRC Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of SJRC Texas' 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 SJRC Texas' internal control over financial reporting and compliance.



Schrive, Carmona & Company, PLLC

San Antonio, Texas

September 24, 2025

## **Financial Statements**

**SJRC Texas, Inc.**Statement of Financial Position  
December 31, 2024

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**Assets****Current Assets:**

Cash and Cash Equivalents	\$ 4,569,016
Accounts Receivable	12,432,571
Prepaid Expenses	283,513
Investments	49,154
Other Current Assets	<u>4,649</u>

**Total Current Assets** 17,338,903

Property and Equipment, Net of Accumulated Depreciation	4,587,857
Other Assets	2,230
Operating Lease Right-of-Use Asset	<u>202,518</u>

**Total Assets** \$ 22,131,508

**Liabilities and Net Assets****Current Liabilities:**

Accounts Payable	\$ 6,245,020
Accrued Liabilities	1,131,951
Operating Lease Liability, Current Portion	<u>79,974</u>

**Total Current Liabilities** 7,456,945

Operating Lease Liability, Less Current Portion	<u>128,549</u>
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**Total Liabilities** 7,585,494

**Net Assets:**

Without Donor Restrictions	<u>14,546,014</u>
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**Total Net Assets** 14,546,014

**Total Liabilities and Net Assets** \$ 22,131,508

The Accompanying Notes are an Integral Part of These Financial Statements

**SJRC Texas, Inc.**Statement of Activities  
Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Totals
<b>Support and Revenues</b>			
<b>Support:</b>			
Government Contracts and Grants	\$ 54,033,766	\$ -	\$ 54,033,766
Foundation Grants	1,191,525	-	1,191,525
Individual Contributions	1,438,034	-	1,438,034
Special Events, net of expenses of \$242,036	42,037	-	42,037
<b>Revenues:</b>			
Rental Income	144,000	-	144,000
Investment Income	7,452	-	7,452
Insurance Proceeds	112,653	-	112,653
Other Income	20,115	-	20,115
Net Assets Released from Restrictions	654,556	(654,556)	-
<b>Total Support and Revenues</b>	<b>57,644,138</b>	<b>(654,556)</b>	<b>56,989,582</b>
<b>Expenses</b>			
Program Services	52,173,547	-	52,173,547
<b>Support Services:</b>			
Management and General	2,881,950	-	2,881,950
Fundraising	601,487	-	601,487
<b>Total Expenses</b>	<b>55,656,984</b>	<b>-</b>	<b>55,656,984</b>
<b>Change in Net Assets</b>	<b>1,987,154</b>	<b>(654,556)</b>	<b>1,332,598</b>
<b>Net Assets at Beginning of Year</b>	<b>12,558,860</b>	<b>654,556</b>	<b>13,213,416</b>
<b>Net Assets at End of Year</b>	<b>\$ 14,546,014</b>	<b>\$ -</b>	<b>\$ 14,546,014</b>

The Accompanying Notes are an Integral Part of These Financial Statements

**SJRC Texas, Inc.**Statement of Functional Expenses  
Year Ended December 31, 2024

		Support Services		
	Program Services	Management and General	Fundraising	Totals
Salaries, Wages, and Benefits	\$ 17,977,836	\$ 2,268,148	\$ 488,845	\$ 20,734,829
Payroll Taxes	1,193,689	145,205	33,391	1,372,285
Total Employee Compensation	19,171,525	2,413,353	522,236	22,107,114
Advertising, Marketing, and Public Relations	68,199	7,190	19,263	94,652
Bank Fees	6,983	2,959	-	9,942
BELONG Program Expense	1,346,079	1,000	-	1,347,079
Computer Hardware and Software	525,641	126,464	17,665	669,770
Conference and Meetings	72,441	5,713	7,578	85,732
Copier Lease	22,076	2,118	-	24,194
Dues and Subscriptions	19,656	10,320	1,767	31,743
Employee Costs	11,511	4,470	84	16,065
Foster Family Payments	593,532	-	-	593,532
Housing Costs	16,360	558	-	16,918
Information Technology	69,817	13,097	3,835	86,749
Insurance	326,748	67,707	3,895	398,350
Legal Fees	15,474	19,712	-	35,186
Office Expenses	137,106	67,931	15,121	220,158
Other Expense	-	1,679	-	1,679
Pass Through to Network Providers	26,207,894	-	-	26,207,894
Postage and Shipping	11,400	1,362	2,501	15,263
Professional Services	728,640	70,689	-	799,329
Rent	124,026	-	-	124,026
Resident Expenses	139,546	676	-	140,222
Repair and Maintenance	138,322	11,820	-	150,142
Telephone and Internet	311,847	13,354	1,500	326,701
Travel	1,662,310	17,356	6,042	1,685,708
Utilities	134,953	22,422	-	157,375
Total Expenses before Depreciation	51,862,086	2,881,950	601,487	55,345,523
Depreciation	311,461	-	-	311,461
<b>Total Expenses</b>	<b>\$ 52,173,547</b>	<b>\$ 2,881,950</b>	<b>\$ 601,487</b>	<b>\$ 55,656,984</b>

The Accompanying Notes are an Integral Part of These Financial Statements



**SJRC Texas, Inc.**Statement of Cash Flows  
Year Ended December 31, 2024

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**Cash Flows From Operating Activities:**

Change in Net Assets	\$ 1,332,598
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	311,461
Realized/Unrealized Gain on Investments	(540)
(Increase) Decrease in:	
Accounts Receivable	(798,870)
Prepaid Expenses	29,925
Operating Lease Right-of-Use Asset	82,144
Increase (Decrease) in:	
Accounts Payable	1,350,038
Accrued Liabilities	347,024
Operating Lease Liability	(76,139)
<b>Net Cash Provided by Operating Activities</b>	<b><u>2,577,641</u></b>

**Cash Flows From Investing Activities:**

Purchase of Property and Equipment	(299,818)
Reinvestment of Interest and Dividends, net of Fees	(2,295)
<b>Net Cash Used by Investing Activities</b>	<b><u>(302,113)</u></b>

**Net Increase in Cash and Cash Equivalents** 2,275,528

Cash and Cash Equivalents, Beginning of Year 2,293,488

**Cash and Cash Equivalents, End of Year** \$ 4,569,016

The Accompanying Notes are an Integral Part of These Financial Statements

## **Note A: Nature of Organization**

SJRC Texas, Inc. (SJRC Texas) is a nonprofit organization incorporated under the laws of the State of Texas. SJRC Texas includes two nonsectarian facilities licensed by the Texas Department of Family and Protective Services to care for abused, abandoned and homeless children. One facility located in New Braunfels, Texas, serves as a shelter for emergency care of children from infancy to age 17 while the Texas Department of Family and Protective Services determine their residency destination. The shelter also provides a program for pregnant and parenting children ages 10 to 17. For the emergency shelter, the short-term length of stay is approximately 90 days unless an extension is granted, and the long-term length of stay is approximately two years. The shelter is licensed to care for a maximum of 24 children. The second facility located in Bulverde, Texas is licensed by the Texas Department of Family and Protective Services to care for children ages 6 to 17. The facility has five homes where these children receive residential therapeutic foster care services in a home-like environment. The third facility in San Antonio, Texas is responsible for providing counseling and assistance as well as a Child Placing Agency for foster or adoptive parents.

SJRC Texas' program services are supported primarily through state and local government contracts, as well as donations from individuals, corporations, foundations, and its affiliates.

In 2021, SJRC Texas was awarded a contract by the Texas Department of Family and Protective Services (DFPS) as a private foster care contractor for the expansion of Community-Based Care (CBC) into 27 counties surrounding Bexar County, which was already part of CBC. Counties included under the contract are: Atascosa, Bandera, Calhoun, Comal, DeWitt, Dimmitt, Edwards, Frio, Gillespie, Goliad, Gonzales, Guadalupe, Jackson, Karnes, Kendall, Kerr, Kinney, La Salle, Lavaca, Maverick, Medina, Real, Uvalde, Val Verde, Victoria, Wilson and Zavala. The initial term of this contract is April 1, 2021, through March 31, 2026. DFPS retains the option to renew the contract for one additional term of two years. The program commenced operations in November 2021.

In connection with this contract, SJRC Texas created Belong, a division of SJRC Texas, to serve as the lead provider for Community-Based Care in the 27 Texas counties Belong serves. Belong's vision is for abused and neglected children to be empowered to grow up to be happy, productive and caring adults.

## **Note B: Summary of Accounting Principles**

### ***Basis of Accounting***

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Net assets, support and revenue, and expenses are classified according to two classes of net assets:

- *Without Donor Restrictions* – net assets available for use in general operations and not subject to donor restrictions. Grant and contributions gifted for recurring programs of SJRC Texas generally are not considered "restricted" under GAAP, though for internal reporting SJRC Texas tracks such grants and contributions to verify the disbursement matches the intent. Assets restricted solely through the actions of the Board of Directors are reported as Net Assets Without Donor Restrictions, Board Designated.
- *With Donor Restrictions* – net assets subject to donor-imposed stipulations that are more restrictive than SJRC Texas' mission and purpose. Some donor restrictions are temporary in nature, such as those that will be met by the passage of time. Donor imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. At December 31, 2024, no such net assets existed.

**Note B: Summary of Accounting Principles (Continued)**

***Estimates***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

***Methods Used for Allocation of Expenses Amount Program and Supporting Services***

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include: occupancy which is allocated based on FTEs that use the space. Depreciation and amortization are allocated based on which class uses the asset. Certain administrative salaries and wages, benefits, and payroll taxes are allocated by amount of time and effort. Professional IT per unit services are charged on number of computers each class has, and the lump sum charges are then allocated based on a percentage of number of computers as a percent of the total. Insurance is allocated to the class that is covers when distinguishable and the rest is allocated with other based on bed days of each class as a percentage of total bed days for SJRC Texas.

***Cash and Cash Equivalents***

For purposes of reporting cash flows, SJRC Texas considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

***Accounts Receivable***

Accounts receivable consists of amounts due from state and county agencies for services provided in the care for children. Receivables are stated at the amount management expects to collect from outstanding balances. It is SJRC Texas's policy to charge off uncollectible accounts receivable for program fees when management determines the receivable will not be collected. The program fees are delinquent when not received within the contractual terms. SJRC Texas estimates an allowance for doubtful accounts based on periodic assessment. If the accounts become uncollectible, the balance will be charged to expense when the determination is made. Receivables at December 31, 2024 are considered to be fully collectible; accordingly, no allowance has been established. All amounts recorded are expected to be received within one year.

***Investments***

Investments are carried at fair value based on quoted market prices for financial statement purposes. A provision for unrealized gains or losses is made each year to adjust to the appropriate value. Realized and unrealized gains and losses are determined by comparison of cost to proceeds or fair value, respectively. Cost is determined by historical purchase price or, in the case of any donated investments, the fair market value of those investments at the date of the gift.

## **Note B: Summary of Accounting Principles (Continued)**

### ***Fair Value Measurements***

The Fair Value Measurements and Disclosures Topic of the FASB ASC, 820-10, defines fair value, establishes a three-level valuation hierarchy for disclosure of fair value measurements, and expands disclosures about fair value measurements. An instrument's categorization within the hierarchy is based upon the lowest level of input that is significant to the fair value measurement: Refer to **Note K**.

- *Level 1* - Inputs that utilize quoted prices (unadjusted) in active markets for identical assets that SJRC Texas has the ability to access.
- *Level 2* - Inputs that include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.
- *Level 3* - Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions as there is little, if any, related market activity.

### ***Fair Value of Financial Instruments***

SJRC Texas' financial instruments include cash and cash equivalents, investments, receivables and payables. The carrying amount of these financial instruments, except investments (Refer to **Note K**), as reflected in the Statement of Financial Position approximates fair value.

### ***Prepaid Expenses***

Prepaid expenses are recorded when paid and expensed in the period the good or service is received.

### ***Property and Equipment***

SJRC Texas capitalizes all expenditures for property and equipment in excess of \$5,000. Property and equipment are stated at cost or at their estimated market value at the date of receipt from donors. Donated property and equipment are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Repairs and maintenance costs are expensed as incurred. Land is not depreciated. Depreciation is computed using the straight-line method over the estimated useful lives as follows:

Buildings	25 to 39 Years
Furniture and Equipment	3 to 15 Years
Leasehold Improvements	10 to 15 Years
Vehicles	5 to 7 Years

### ***Leases***

SJRC Texas assesses whether an arrangement qualifies as a lease (i.e., conveys the right to control 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. SJRC Texas has elected not to separate lease and nonlease components in determining its leases. SJRC Texas utilizes the risk-free rate, which is based on short-term U.S. Treasury obligations or its incremental borrowing rate, as the discount rate. Leases with an initial term of 12 months or less are not recorded in the Statement of Financial Position. Lease expense is recognized on a straight-line basis over the lease term. Refer to **Note H**.

**Note B: Summary of Accounting Principles (Continued)**

***Contributions and Grants***

SJRC Texas recognizes contributions and grants received as revenue in the year received or unconditionally promised. Contributions and grants received are recorded as support Without Donor Restrictions or With Donor Restrictions depending on the existence or nature of any donor restrictions. Support that is not restricted by the donor is reported as an increase in Net Assets Without Donor Restrictions. All other donor restricted support is reported as an increase in Net Assets With Donor Restrictions. Net Assets With Donor Restrictions are reclassified to Net Assets Without Donor Restrictions upon expiration of the time or purpose restriction and are reported in the Statement of Activities as Net Assets Released from Restrictions. Restricted contributions whose restrictions are met in the same reporting period are reported as Without Donor Restrictions.

SJRC Texas receives grants from federal, state, and local governmental agencies, nonprofit organizations, foundations, and corporations. Grants received from governmental agencies are cost reimbursable grants under which SJRC Texas recognizes revenue as eligible expenditures are incurred. Eligible expenditures incurred in excess of grant fund reimbursements are recognized as accounts receivable in the accompanying Statement of Financial Position.

***Advertising***

Advertising costs are predominantly for program outreach initiatives and are expensed as incurred. Advertising expense totaled \$9,225 for the year ended December 31, 2024.

***Federal Income Taxes***

SJRC Texas is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financials statements. In addition, SJRC Texas has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) for the Internal Revenue Code. There was no unrelated business income for the year ended December 31, 2024. SJRC Texas is not subject to the Texas margin tax. Management is not aware of any tax position that would have a significant impact on its financial position.

## **SJRC Texas, Inc.**

### Notes to Financial Statements Year Ended December 31, 2024

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#### **Note C: Liquidity and Availability of Financial Assets**

The following represents SJRC Texas' financial assets available to meet general expenditures over the next twelve months at December 31, 2024:

Financial assets at year end :

Cash and Cash Equivalents	\$	4,569,016
Accounts Receivable		12,432,571
Investments		<u>49,154</u>
Total Financial Assets		<u>17,050,741</u>

Less those unavailable for general expenditures over the next twelve months due to:

Net Assets with Donor Restrictions	-
Less net assets with restrictions to be met over the next twelve months	<u>(4,281,204)</u>
	<u>(4,281,204)</u>

Financial assets available to meet general expenditures over the next twelve months	\$ <u>21,331,945</u>
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SJRC Texas regularly monitors liquidity to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. SJRC Texas has various resources of liquidity at its disposal, including cash and receivables. In addition to the financial assets available to meet general expenditures within one year, SJRC Texas operates a balanced budget and anticipates earned revenues and annual support contributions are sufficient to cover general expenditures not provided by other donor restricted sources.

#### **Note D: Property and Equipment**

Property and Equipment, Net of Accumulated Depreciation consisted of the following at December 31, 2024:

Land	\$	122,500
Buildings		5,449,060
Leasehold Improvements		276,774
Furniture and Equipment		503,007
Vehicles		<u>852,339</u>
Total Property and Equipment		7,203,680
Less: Accumulated Depreciation		<u>(2,615,823)</u>
Property and Equipment, Net of Accumulated Depreciation	\$	<u>4,587,857</u>

Depreciation expense for the year ended December 31, 2024 totaled \$311,461.

## **SJRC Texas, Inc.**

### Notes to Financial Statements Year Ended December 31, 2024

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#### **Note E: Long-Term Debt**

##### ***Line of Credit***

SJRC Texas has a revolving line of credit with a financial institution. The line of credit has a limit of \$3,000,000, increased from \$500,000, with interest only payments until maturity and accrues interest at a rate of prime plus 1.75%, which was 9.25% at December 31, 2024. As of December 31, 2024, there were no amounts outstanding on the line of credit.

#### **Note F: Net Assets With Donor Restrictions**

SJRC Texas had no Net Assets With Donor Restrictions at December 31, 2024.

#### **Note G: Concentrations**

##### ***Credit Risk of Financial Instruments***

Financial instruments which potentially subject SJRC Texas to a concentration of credit risk consist of its cash balances held at its financial institution. SJRC Texas assesses the financial condition of the financial institution and believes the risk of loss is minimal. The accounts at this institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2024, certain cash balances were in excess of the FDIC insured limit. SJRC Texas has not experienced any losses in such account and management believes it is not exposed to a significant risk on its cash balance.

Concentrations of credit risk with respect to receivables are limited because such receivables result primarily from contracts with federal, state, and local governments.

##### ***Support and Revenue***

The primary source of SJRC Texas' revenue is grants and contracts funded with federal and state funds. The revenue from these contracts and grants for the year ended December 31, 2024 totaled \$53,945,331, which was 95% of total support and revenue.

Government Contracts and Grants revenue is summarized as follows for the year ended December 31, 2024:

<u>Government Agency</u>	<u>Type</u>	<u>Source</u>	<u>Amount</u>	<u>Percent of Total Support and Revenues</u>
Texas Department of Family and Protective Services	Various	Federal & State	\$ 53,320,482	94%
Texas Pregnancy Care Network	Grant	State	79,020	0%
Texas Office of the Governor Criminal Justice Division	Grant	Federal	607,087	1%
United States Department of Agriculture	Grant	Federal	27,177	0%
<b>Total Government Contracts and Grants</b>			<b>\$ 54,033,766</b>	<b>95%</b>

## SJRC Texas, Inc.

### Notes to Financial Statements Year Ended December 31, 2024

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#### Note H: Leases

SJRC Texas is obligated under non-cancellable operating lease agreements for office space effective July 1, 2020 through June 30, 2027.

The following summarizes the line items in the Statement of Financial Position which include amounts for ROU asset and lease liability as of December 31, 2024:

Operating Lease Right-of-Use Asset	\$	<u>202,518</u>
Operating Lease Liability - Current Portion	\$	79,974
Operating Lease Liability - Less Current Portion		<u>128,549</u>
Total Operating Lease Liability	\$	<u>208,523</u>

The following summarizes the line items in the statement of functional expenses which include the components of lease expense for the year ended December 31, 2024:

Rent Expense	\$	83,936
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The following summarizes the supplemental cash flow information for the year ended December 31, 2024:

Cash Paid for Amounts Included in the Measurement of Lease Liability:		
Operating Cash Flows from Operating Lease	\$	82,935
Right-of-Use Asset Obtained in Exchange for Lease Liability:		
Operating Lease	\$	-

The following summarizes the weighted average remaining lease term and discount rate as of December 31, 2024:

Weighted Average Remaining Lease Term (years):	
Operating Lease	2.50
Weighted Average Discount Rate:	
Operating Lease	2.88%

The payment maturities of lease liabilities are as follows at December 31, 2024:

2025	\$	84,937
2026		86,938
2027		44,588
2028		<u>-</u>
Total Lease Payments		216,463
Less: Interest		<u>(7,940)</u>
Present Value of Operating Lease Liability	\$	<u>208,523</u>



## SJRC Texas, Inc.

### Notes to Financial Statements Year Ended December 31, 2024

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#### Note I: Retirement Plan

SJRC Texas established a 401(k)-retirement plan effective July 1, 2019. Employees who have attained the age 21 and completed twelve months (1000 hours) of service are eligible to contribute to the plan. These eligibility requirements were waived for employees employed on the original effective date of the plan. SJRC Texas currently provides discretionary matching contributions and discretionary profit-sharing contributions to eligible participants; amounts allocated to eligible participant's accounts may vary based on the amount or percentage determined from year to year. SJRC Texas' total contribution for the year ended December 31, 2024 totaled \$767,627.

#### Note J: Investment Income

Investment income is summarized and reported in the Statement of Activities as follows for the ended December 31, 2024:

Dividend and Interest Income	\$	6,912
Realized/Unrealized Gain on Investments		540
Less: Fees		-
Total Investment Income, net	\$	<u>7,452</u>

#### Note K: Fair Value Measurements and Disclosures

SJRC Texas uses fair value measurements to record fair value adjustments to certain assets and liabilities to determine fair value disclosures. For additional information on how SJRC Texas measures fair value, refer to **Note B**.

The following describes the valuation methodology and assumptions used by SJRC Texas in estimating the fair value disclosures for investments. There have been no changes in methodologies utilized at December 31, 2024.

- *Money Market Funds* are valued at the Net Asset Value (NAV) of \$1.00.
- *Mutual and ETF Bond Funds* are valued at quoted prices for similar assets in active markets.

The following table sets for by level, within the fair value hierarchy, SJRC Texas' investments at fair value as of December 31, 2024:

	Level 1	Level 2	Level 3	Total
Money Market Funds	\$ 7,640	\$ -	\$ -	\$ 7,640
Mutual Funds	36,719	-	-	36,719
ETFs and Closed-End Funds	<u>4,795</u>	<u>-</u>	<u>-</u>	<u>4,795</u>
Total Investments	\$ <u>49,154</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>49,154</u>

## **SJRC Texas, Inc.**

Notes to Financial Statements  
Year Ended December 31, 2024

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### **Note L: Commitments and Contingencies**

#### ***Commitments***

SJRC Texas entered into a commitment for equipment effective through August 31, 2028. Future minimum payments are as follows at December 31, 2024:

2025	\$	5,925
2026		1,980
2027		1,980
2028		<u>1,320</u>
Total Commitments	\$	<u>11,205</u>

Lease expense for the year ended December 31, 2024 totaled \$13,811.

#### ***Contingencies***

SJRC Texas participates in several state and federal grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that SJRC Texas has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable may be impaired. In the opinion of management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

### **Note M: Subsequent Events**

Subsequent events have been evaluated through the September 24, 2025, which is the date the financial statements were available to be issued.

## **Compliance Reports and Supplementary Information**

**Independent Auditor's Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards***

To the Board of Directors of  
SJRC Texas, Inc.

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 SJRC Texas, Inc. (SJRC Texas) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 24, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered SJRC Texas' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of SJRC Texas' internal control. Accordingly, we do not express an opinion on the effectiveness of SJRC Texas' 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 SJRC Texas' financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**Report on Compliance and Other Matters**

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

**Independent Auditor's Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards* (Continued)**

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**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 SJRC Texas' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SJRC Texas' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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Schrive, Carmona & Company, PLLC

San Antonio, Texas

September 24, 2025

**Independent Auditor's Report on Compliance for  
Each Major Program and on Internal Control  
Over Compliance Required by the Uniform Guidance  
And State of Texas Grant Management Standards**

To the Board of Directors of  
SJRC Texas, Inc.

**Report on Compliance for Each Major Federal and State Program**

***Opinion on Each Major Federal and State Program***

We have audited SJRC Texas, Inc.'s (SJRC Texas) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and *Texas Comptroller of Public Accounts, State of Texas Grant Management Standards*, which includes the State of Texas Single Audit Circular (TxGMS) that could have a direct and material effect on each of SJRC Texas' major federal and state programs for the year December 31, 2024. SJRC Texas' major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, SJRC Texas 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 and state programs for the year December 31, 2024.

***Basis for Opinion on Each Major Federal and State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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), and the TxGMS. Our responsibilities under those standards, the Uniform Guidance, and the TxGMS are further described in the Auditor's Responsibilities for the Audit of Compliance Section of our report.

We are required to be independent of SJRC Texas and to meet our 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 and state program. Our audit does not provide a legal determination of SJRC Texas' 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 SJRC Texas' federal and state programs.

**Independent Auditor's Report on Compliance for  
Each Major Program and on Internal Control  
Over Compliance Required by the Uniform Guidance and  
State of Texas Grant Management Standards (Continued)**

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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 SJRC Texas' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the TxGMS 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 SJRC Texas' compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the TxGMS 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 SJRC Texas' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of SJRC Texas' 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 and TxGMS, but not for the purpose of expressing an opinion on the effectiveness of SJRC Texas' 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 and state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and state 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 and state 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.

**Independent Auditor's Report on Compliance for  
Each Major Program and on Internal Control  
Over Compliance Required by the Uniform Guidance and  
State of Texas Grant Management Standards (Continued)**

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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 and the TxGMS. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in dark ink, appearing to read "Schriver Carmona". The signature is fluid and cursive, with the first name "Schriver" and last name "Carmona" clearly distinguishable.

Schrive, Carmona & Company, PLLC

San Antonio, Texas

September 24, 2025



**SJRC Texas, Inc.**
**Schedule of Expenditures of Federal and State Awards  
Year Ended December 31, 2024**

<u>Agency/Pass through Agency/Program Title</u>	<u>AL Number</u>	<u>Pass Through or Grant ID Number</u>	<u>Federal Grant Expended During the Year</u>	<u>State Grant Expended During the Year</u>
<b>U.S. Department of Health and Human Services</b>				
<i>Passed through Texas Department of Family and Protective Services</i>				
Resource Transfer - IVE Grdnshp Asst Adm.	93.090	HHS000901800001	\$ 16,605	\$ -
			16,605	-
Belong Adoptions - IVB Pt 2 - FFTA	93.556	HHS000901800001	152,250	-
Belong PCS Revenue - IVB Pt 2 - FFTA	93.556	HHS000901800001	289,660	-
PAT FFTA - Exhibit C FFTA - IVB Pt 2 - FFTA	93.556	HHS000901800001	852,394	-
			1,294,304	-
Belong PCS Revenue - TANF Non Assistance	93.558	HHS000901800001	7,513	-
Belong Pass Thru - TANF Non Assistance	93.558	HHS000901800001	1,964,314	-
Belong Pass Thru - TANF Assistance	93.558	HHS000901800001	4,649,337	-
			6,621,164	-
Belong Resource Transfer - IVE F.C. Administration	93.658	HHS000901800001	1,225,745	-
Belong Resource Transfer - IVE F.C. Training	93.658	HHS000901800001	120,177	-
Belong Resource Transfer - IVE FC Admin-Sex Trfkg	93.658	HHS000901800001	338	-
Belong PCS Revenue - IVE F.C. Administration	93.658	HHS000901800001	541	-
Belong Pass Thru - IVE F.C. Administration	93.658	HHS000901800001	715,210	-
Belong Pass Thru - IVE F.C. Maint Payments	93.658	HHS000901800001	1,892,355	-
Q&UM Allotment - IVE F.C. Administration	93.658	HHS000901800001	13,329	-
Q&UM Allotment - IVE FC Admin - Sex Trfkg	93.658	HHS000901800001	1	-
			3,967,696	-
Belong Resource Transfer - IVE Adoption Admin	93.659	HHS000901800001	154,243	-
Belong Resource Transfer - IVE AA Admin-Delink ApplChld	93.659	HHS000901800001	51,934	-
			206,177	-
Belong PCS Revenue - Title XX Block Grant	93.667	HHS000901800001	108	-
Q&UM Allotment - Title XX Block Grant	93.667	HHS000901800001	29,710	-
			\$ 29,818	\$ -

See Notes to Schedule of Expenditures of Federal and State Awards

**SJRC Texas, Inc.**
**Schedule of Expenditures of Federal and State Awards  
Year Ended December 31, 2024 (Continued)**

<u>Agency/Pass through Agency/Program Title</u>	<u>AL Number</u>	<u>Pass Through or Grant ID Number</u>	<u>Federal Grant Expended During the Year</u>	<u>State Grant Expended During the Year</u>
Belong Resource Transfer - Title XIX Administration	93.778	HHS000901800001	\$ 277,196	\$ -
			277,196	-
HOPES - ESSA Preschool Dev Grant Prop	93.434	HHS000901800001	33,333	-
HOPES - ESSA Preschool Dev Grant Prop	93.434	HHS000901800001	66,667	-
			100,000	-
PAL - IVE Ind Liv 80/20	93.674	HHS000901800001	39,455	-
			39,455	-
HOPES BCAP - HR 1319 Coronavirus	93.590	HHS000901800001	9,696	-
FE BCAP - HR 1319 Coronavirus	93.590	HHS000901800001	9,820	-
			19,516	-
THV	93.870	HHS000901800001	65,629	-
			65,629	-
Belong Adoptions - State General Revenue	N/A	HHS000901800001	-	285,750
Belong Resource Transfer - State General Revenue	N/A	HHS000901800001	-	18,952,548
Belong Network Support - State General Revenue	N/A	HHS000901800001	-	1,312,422
Belong Behavioral Health - State General Revenue	N/A	HHS000901800001	-	553,778
Belong PCS Revenue - State General Revenue	N/A	HHS000901800001	-	804,565
Belong Pass Thru - State General Revenue	N/A	HHS000901800001	-	10,051,474
PAL - State General Revenue	N/A	HHS000901800001	-	9,864
Q&UM Allotment - State General Revenue	N/A	HHS000901800001	-	52,910
CANS Allotment	N/A	HHS000901800001	-	154,831
1 Time Allotment - T3C Provider Transition	N/A	HHS000901800001	-	350,000
1 Time Allotment - IT Interoperability	N/A	HHS000901800001	-	142,857
1 Time Allotment - FCL Compliance Allotment	N/A	HHS000901800001	-	85,714
1 Time Allotment - Luggage Allotment	N/A	HHS000901800001	-	2,165
1 Time Allotment - Kinship Verification	N/A	HHS000901800001	-	4,998
1 Time Allotment - Kinship Placement	N/A	HHS000901800001	-	90,481
HOPES State General Revenue	N/A	HHS000901800001	-	201,790
HOPES State General Revenue	N/A	HHS000901800001	-	105,494
THV - PAT Funds - THV	N/A	HHS000901800001	-	134,725
			-	33,296,366
<i>Total Texas Department of Family and Protective Services</i>			12,637,560	33,296,366
<b>Total U.S. Department of Health and Human Services</b>			\$ 12,637,560	\$ 33,296,366

See Notes to Schedule of Expenditures of Federal and State Awards

**SJRC Texas, Inc.**
**Schedule of Expenditures of Federal and State Awards  
Year Ended December 31, 2024 (Continued)**

<u>Agency/Pass through Agency/Program Title</u>	<u>AL Number</u>	<u>Pass Through or Grant ID Number</u>	<u>Federal Grant Expended During the Year</u>	<u>State Grant Expended During the Year</u>
<b>U.S. Department of Justice</b>				
<i>Passed through Texas Office of the Governor</i>				
<i>Criminal Justice Division</i>				
TouchStone - Texas Office of the Governor - (CJD) CST - LT	16.575	15POVC-22-GG-00807-ASSI	\$ 142,215	\$ -
TouchStone - Texas Office of the Governor - (CJD) CST - ER	16.575	15POVC-22-GG-00807-ASSI	146,115	-
Belong - VA - Victims of Crime Acts	16.575	15POVC-22-GG-00807-ASSI	257,679	-
Belong - VA Victims of Crime Acts	16.575	15POVC-23-GG-00807-ASSI	61,077	-
<i>Total Texas Office of the Governor</i>			<u>607,086</u>	<u>-</u>
<i>Criminal Justice Division</i>			<u>607,086</u>	<u>-</u>
<b>Total U.S. Department of Justice</b>			<u>607,086</u>	<u>-</u>
<b>U.S. Department of Agriculture</b>				
<i>Passed through Texas Department of Agriculture</i>				
National School Lunch Program	10.555	N/A	15,198	-
Afterschool Care Program	10.555	N/A	2,088	-
School Breakfast Program	10.553	N/A	9,467	-
<i>Total Texas Department of Agriculture</i>			<u>26,753</u>	<u>-</u>
<b>Total U.S. Department of Agriculture</b>			<u>26,753</u>	<u>-</u>
<b>TOTAL EXPENDITURES OF FEDERAL AND STATE AWARDS</b>			<b>\$ <u>13,271,399</u></b>	<b>\$ <u>33,296,366</u></b>

See Notes to Schedule of Expenditures of Federal and State Awards

## SJRC Texas, Inc.

### Notes to Schedule of Expenditures of Federal and State Awards Year Ended December 31, 2024

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#### Note A: Basis of Presentation

The accompanying Schedule of Expenditures of Federal and State Awards (the Schedule) includes the federal and state grant activity of SJRC Texas, Inc. (SJRC Texas) under programs of the federal government and State of Texas for the year ended December 31, 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) and the State of Texas Grant Management Standards.

Because the Schedule presents only a selected portion of the operations of SJRC Texas, it is not intended, and does not, present the financial position, changes in net assets or cash flows of SJRC Texas. Therefore, some amounts presented in the Schedule may differ from amounts presented in the financial statements.

All of SJRC Texas' federal and state awards were in the form of cash assistance for the year ended December 31, 2024.

#### Note B: Summary of Significant Accounting Policies (*Federal Awards Only*)

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in 2 CFR Part 230, *Costs Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) SJRC Texas has elected to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

#### Note C: Reconciliation to Statement of Activities in Financial Statements

Total Expenditures of Federal Awards	\$	13,271,399
Total Expenditures of State Awards		33,296,366
Other Contracts		<u>7,466,001</u>
Total Government Contracts and Grants	\$	<u>54,033,766</u>

## **SJRC Texas, Inc.**

### **Federal Awards – Schedule of Findings and Questioned Costs Year Ended December 31, 2024**

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#### **SECTION I - SUMMARY OF AUDITOR'S RESULTS**

##### **Financial Statements**

Type of auditor's report issued	Unmodified
Internal Control Over Financial Reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weakness(es)?	None reported
Noncompliance material to the financial statements?	No

##### **Federal Awards**

Internal Control Over Major Programs:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weakness(es)?	None reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516?	No

##### Identification of Major Programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>	
93.558	Temporary Assistance for Needy Families	
Dollar threshold used to distinguish between Type A and Type B programs		\$750,000
Auditee qualified as low-risk auditee?		Yes

#### **SECTION II - FINANCIAL STATEMENT FINDINGS**

None

**SJRC Texas, Inc.**

Federal Awards – Summary Status of Prior Year Audit Findings  
Year Ended December 31, 2024

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There are no findings from prior year that require an update in this report.

## **SJRC Texas, Inc.**

### **State Awards – Schedule of Findings and Questioned Costs Year Ended December 31, 2024**

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#### **SECTION I - SUMMARY OF AUDITOR'S RESULTS**

##### **Financial Statements**

Type of auditor's report issued	Unmodified
Internal Control Over Financial Reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weakness(es)?	None reported
Noncompliance material to the financial statements?	No

##### **State Awards**

Internal Control Over Major Programs:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weakness(es)?	None reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with State of Texas Single Audit Circular?	No

##### **Identification of Major Programs:**

<u>Grant Number</u>	<u>Name of State Program</u>
HHS000901800001	Child Protective Services (CPS) Program

Dollar threshold used to distinguish between Type A and Type B programs	\$1,041,492
Auditee qualified as low-risk auditee?	Yes

**SECTION II - FINANCIAL STATEMENT FINDINGS** None

**SECTION III - STATE AWARD FINDINGS** None

**SJRC Texas, Inc.**

State Awards – Summary Status of Prior Year Audit Findings  
Year Ended December 31, 2024

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There are no findings from prior year that require an update in this report.