

**INFO LINE of San Diego County dba 2-1-1 San Diego
and Subsidiaries
Consolidated Financial Statements
and Supplementary Information
June 30, 2025 and 2024**

INFO LINE of San Diego County dba 2-1-1 San Diego and Subsidiaries

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Independent Auditor's Report

To the Board of Directors and Audit Committee of
INFO LINE of San Diego County dba 2-1-1 San Diego and Subsidiaries

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of INFO LINE of San Diego County dba 2-1-1 San Diego and its subsidiaries (the "Organization"), which comprise the consolidated statement of financial position as of June 30, 2025, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of INFO LINE of San Diego County dba 2-1-1 San Diego and its subsidiaries as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of INFO LINE of San Diego County dba 2-1-1 San Diego and its subsidiaries 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.

Prior Period Financial Statements

The consolidated financial statements of INFO LINE of San Diego County dba 2-1-1 San Diego as of June 30, 2024 and for the year then ended, were audited by other auditors whose report dated March 25, 2025, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about INFO LINE of San Diego County dba 2-1-1 San Diego and its subsidiaries' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 INFO LINE of San Diego County dba 2-1-1 San Diego and its subsidiaries' 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about INFO LINE of San Diego County dba 2-1-1 San Diego and its subsidiaries' 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 consolidated 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 consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 is fairly stated, in all material respects, in relation to the consolidated 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 February 16, 2026, on our consideration of INFO LINE of San Diego County dba 2-1-1 San Diego and its subsidiaries' 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 INFO LINE of San Diego County dba 2-1-1 San Diego and its subsidiaries' 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 INFO LINE of San Diego County dba 2-1-1 San Diego and its subsidiaries' internal control over financial reporting and compliance.

JGCI Associates, LLP

San Diego, California
February 16, 2026

INFO LINE of San Diego County dba 2-1-1 San Diego and Subsidiaries

**Consolidated Statements of Financial Position
June 30, 2025 and 2024**

| | 2025 | 2024 |
|--|----------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ 7,978,519 | \$ 6,633,795 |
| Investments | 3,078,541 | 2,910,276 |
| Accounts receivable, net of allowance for doubtful accounts | 2,875,624 | 3,253,609 |
| CalFresh program receivable | 136,425 | 173,180 |
| Prepaid expenses and other current assets | 837,130 | 947,151 |
| Total current assets | 14,906,239 | 13,918,011 |
| Noncurrent assets | | |
| Operating lease right-of-use asset, net of accumulated amortization (Note 6) | 558,300 | 1,150,183 |
| Property and equipment, net of accumulated depreciation (Note 5) | 515,494 | 842,247 |
| Deposits and other assets | 52,428 | 52,428 |
| Total noncurrent assets | 1,126,222 | 2,044,858 |
| Total assets | \$ 16,032,461 | \$ 15,962,869 |
| Liabilities and net assets | | |
| Current liabilities | | |
| Accounts payable | \$ 524,779 | \$ 983,485 |
| CalFresh program payable | 136,425 | 172,535 |
| Accrued expenses | 1,459,618 | 1,602,361 |
| Deferred revenue | 516,307 | 475,688 |
| Current portion of operating lease liability (Note 6) | 569,850 | 604,758 |
| Total current liabilities | 3,206,979 | 3,838,827 |
| Long-term liabilities | | |
| Operating lease liability, net of current portion (Note 6) | - | 569,853 |
| Total long-term liabilities | - | 569,853 |
| Total liabilities | 3,206,979 | 4,408,680 |
| Commitments and Contingencies (Note 6) | | |
| Net assets | | |
| Without donor restrictions | 12,558,808 | 11,473,781 |
| With donor restrictions | 266,674 | 80,408 |
| Total net assets | 12,825,482 | 11,554,189 |
| Total liabilities and net assets | \$ 16,032,461 | \$ 15,962,869 |

See accompanying independent auditor's report and notes to consolidated financial statements.

INFO LINE of San Diego County dba 2-1-1 San Diego and Subsidiaries

**Consolidated Statement of Activities and Changes in Net Assets
Year Ended June 30, 2025**

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>2025</u> |
|---|---------------------------------------|------------------------------------|----------------------|
| Revenues and support | | | |
| Public support received directly: | | | |
| Grants and contracts | \$ 29,526,451 | \$ - | \$ 29,526,451 |
| Contributions | 19,632 | 476,125 | 495,757 |
| Special events, net of expenses of \$91,275 | 76,408 | - | 76,408 |
| Fees for service | 279,795 | - | 279,795 |
| Miscellaneous | 335,433 | - | 335,433 |
| Net assets released from restrictions | <u>289,859</u> | <u>(289,859)</u> | <u>-</u> |
| Total revenues and support | <u>30,527,578</u> | <u>186,266</u> | <u>30,713,844</u> |
| Program services: | | | |
| County Access | 9,291,691 | - | 9,291,691 |
| 211 Call Center | 5,220,996 | - | 5,220,996 |
| Enrollment Center | 3,196,427 | - | 3,196,427 |
| Community Information Exchange (CIE) | 1,405,316 | - | 1,405,316 |
| Client Experience | 464,340 | - | 464,340 |
| Informatics | 635,961 | - | 635,961 |
| Training | 526,639 | - | 526,639 |
| Care Coordination | 435,948 | - | 435,948 |
| Regional Healthcare Information Exchange (SDHC) | <u>3,051,917</u> | <u>-</u> | <u>3,051,917</u> |
| Total program services | <u>24,229,235</u> | <u>-</u> | <u>24,229,235</u> |
| Supporting services: | | | |
| General and administrative | 4,266,004 | - | 4,266,004 |
| Fundraising | <u>947,312</u> | <u>-</u> | <u>947,312</u> |
| Total supporting services | <u>5,213,316</u> | <u>-</u> | <u>5,213,316</u> |
| Total operating expenses | <u>29,442,551</u> | <u>-</u> | <u>29,442,551</u> |
| Change in net assets from operations | <u>1,085,027</u> | <u>186,266</u> | <u>1,271,293</u> |
| Net assets, beginning of year | <u>11,473,781</u> | <u>80,408</u> | <u>11,554,189</u> |
| Net assets, end of year | <u>\$ 12,558,808</u> | <u>\$ 266,674</u> | <u>\$ 12,825,482</u> |

See accompanying independent auditor's report and notes to consolidated financial statements.

INFO LINE of San Diego County dba 2-1-1 San Diego and Subsidiaries

**Consolidated Statement of Activities and Changes in Net Assets
Year Ended June 30, 2024**

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>2024</u> |
|---|---------------------------------------|------------------------------------|-----------------------------|
| Revenues and support | | | |
| Public support received directly: | | | |
| Grants and contracts | \$ 29,133,147 | \$ - | \$ 29,133,147 |
| Contributions | 601,191 | 80,408 | 681,599 |
| Special events, net of expenses of \$136,905 | 209,570 | - | 209,570 |
| Fee for service | 218,573 | - | 218,573 |
| Miscellaneous | 280,869 | - | 280,869 |
| Net assets released from restrictions | <u>64,751</u> | <u>(64,751)</u> | <u>-</u> |
| Total revenues and support | <u>30,508,101</u> | <u>15,657</u> | <u>30,523,758</u> |
| Program services: | | | |
| County Access | 11,328,779 | - | 11,328,779 |
| 211 Call Center | 3,892,639 | - | 3,892,639 |
| Enrollment Center | 2,855,408 | - | 2,855,408 |
| Community Information Exchange (CIE) | 2,145,509 | - | 2,145,509 |
| Client Experience | 738,675 | - | 738,675 |
| Informatics | 883,078 | - | 883,078 |
| Training | 716,646 | - | 716,646 |
| Care Coordination | 402,836 | - | 402,836 |
| Regional Healthcare Information Exchange (SDHC) | <u>1,398,209</u> | <u>-</u> | <u>1,398,209</u> |
| Total program services | <u>24,361,779</u> | <u>-</u> | <u>24,361,779</u> |
| Supporting services: | | | |
| General and administrative | 4,500,150 | - | 4,500,150 |
| Fundraising | <u>1,050,775</u> | <u>-</u> | <u>1,050,775</u> |
| Total supporting services | <u>5,550,925</u> | <u>-</u> | <u>5,550,925</u> |
| Total operating expenses | <u>29,912,704</u> | <u>-</u> | <u>29,912,704</u> |
| Change in net assets from operations | <u>595,397</u> | <u>15,657</u> | <u>611,054</u> |
| Net assets, beginning of year | <u>10,878,384</u> | <u>64,751</u> | <u>10,943,135</u> |
| Net assets, end of year | \$ <u><u>11,473,781</u></u> | \$ <u><u>80,408</u></u> | \$ <u><u>11,554,189</u></u> |

See accompanying independent auditor's report and notes to consolidated financial statements.

INFO LINE of San Diego County dba 2-1-1 San Diego and Subsidiaries

Consolidated Statement of Functional Expenses
Year Ended June 30, 2025

| | Program Services | | | | | | | | | Supporting services | | | |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|-------------------|-------------------|-------------------|-------------------|---------------------|----------------------|----------------------------|-------------------|----------------------|
| | County Access | 211 Call Center | Enrollment Center | CIE | Client Experience | Infomatics | Training | Care Coordination | SDHC | Total | General and Administrative | Fundraising | Total |
| Salaries and benefits | \$ 8,050,267 | \$ 3,992,567 | \$ 2,065,995 | \$ 854,845 | \$ 431,492 | \$ 578,519 | \$ 469,326 | \$ 382,295 | \$ 1,234,442 | \$ 18,059,748 | \$ 2,710,708 | \$ 785,113 | \$ 21,555,569 |
| Consultants | 84,283 | 257,313 | 119,068 | 221,923 | - | - | 1,500 | 7,208 | 349,705 | 1,041,000 | 805,995 | 89,278 | 1,936,273 |
| Subcontractor payments | 50,357 | 301,721 | 711,777 | - | - | - | - | - | - | 1,063,855 | - | - | 1,063,855 |
| Telephone | 269,190 | 219,345 | 91,655 | 10,640 | 7,035 | 7,627 | 6,397 | 8,204 | 550 | 620,643 | 16,968 | 6,763 | 644,374 |
| Occupancy | 378,229 | 173,440 | 97,684 | 22,135 | 18,433 | 13,742 | 17,240 | 14,362 | 22,740 | 758,005 | 178,920 | 12,574 | 949,499 |
| Software licenses | 220,603 | 197,938 | 58,038 | 99,180 | - | 30,472 | 4,821 | 13,942 | 1,572 | 626,566 | 90,543 | 132 | 717,241 |
| Partner participation expenses | - | - | - | 132,800 | - | - | - | - | - | 132,800 | - | - | 132,800 |
| Depreciation and amortization | 114,873 | 43,128 | 22,591 | 8,486 | 7,380 | 3,363 | 5,981 | 3,769 | 101,068 | 310,639 | 9,366 | 6,748 | 326,753 |
| Insurance | - | - | - | - | - | - | - | - | 98,343 | 98,343 | 174,370 | - | 272,713 |
| Office supplies and expenses | 9,291 | 346 | 489 | 10,000 | - | 431 | - | - | 45 | 20,602 | 37,634 | 3,818 | 62,054 |
| Equipment | 40,179 | 15,514 | 1,202 | 447 | - | - | - | 5,671 | - | 63,013 | 3,139 | - | 66,152 |
| Dues, licenses and permits | - | 3,544 | - | 36,010 | - | 600 | 3,445 | - | 12,803 | 56,402 | 96,013 | 18,779 | 171,194 |
| Bad debt expense | - | - | - | - | - | - | - | - | 60,000 | 60,000 | - | - | 60,000 |
| Temporary labor | 70,893 | - | 22,104 | - | - | - | - | - | - | 92,997 | 46,858 | 1,513 | 141,368 |
| Travel | 584 | 15,189 | 2,518 | 7,481 | - | 912 | 1,382 | 497 | 19,507 | 48,070 | 21,526 | 8,854 | 78,450 |
| Employee and volunteer recognition | 234 | 437 | 317 | - | - | - | - | - | - | 988 | 17,985 | 2,902 | 21,875 |
| Food and catering | 560 | - | - | 781 | - | 295 | - | - | - | 1,636 | 9,855 | 3,641 | 15,132 |
| Staff development | - | - | - | - | - | - | 16,480 | - | - | 16,480 | 3,573 | - | 20,053 |
| Employee education scholarship | 1,656 | - | - | - | - | - | - | - | - | 1,656 | - | - | 1,656 |
| Miscellaneous | - | - | - | - | - | - | - | - | 8,500 | 8,500 | 3,005 | 1,124 | 12,629 |
| Bank and service fees | - | - | 43 | 289 | - | - | - | - | - | 332 | 14,047 | 141 | 14,520 |
| 403(b) administrative fees | - | - | - | - | - | - | - | - | - | - | 6,316 | - | 6,316 |
| HIE Professional Services - IT | - | - | - | - | - | - | - | - | 1,142,033 | 1,142,033 | - | - | 1,142,033 |
| Generator fuel and maintenance | - | - | - | - | - | - | - | - | - | - | 10,539 | 4,224 | 14,763 |
| Printing and duplicating | - | - | - | 170 | - | - | 67 | - | - | 237 | 4,792 | 1,708 | 6,737 |
| Postage | 492 | 514 | 2,946 | 129 | - | - | - | - | 609 | 4,690 | 3,852 | - | 8,542 |
| Total functional expenses | \$ 9,291,691 | \$ 5,220,996 | \$ 3,196,427 | \$ 1,405,316 | \$ 464,340 | \$ 635,961 | \$ 526,639 | \$ 435,948 | \$ 3,051,917 | \$ 24,229,235 | \$ 4,266,004 | \$ 947,312 | \$ 29,442,551 |

See accompanying independent auditor's report and notes to consolidated financial statements.

INFO LINE of San Diego County dba 2-1-1 San Diego and Subsidiaries

Consolidated Statement of Functional Expenses
Year Ended June 30, 2024

| | Program Services | | | | | | | | | Supporting services | | | |
|------------------------------------|----------------------|---------------------|---------------------|---------------------|-------------------|-------------------|-------------------|-------------------|---------------------|----------------------|----------------------------|---------------------|----------------------|
| | County Access | 211 Call Center | Enrollment Center | CIE | Client Experience | Infomatics | Training | Care Coordination | SDHC | Total | General and Administrative | Fundraising | Total |
| Salaries and benefits | \$ 8,620,151 | 3,048,919 | \$ 1,754,818 | \$ 1,177,166 | \$ 623,277 | \$ 764,297 | \$ 595,136 | \$ 332,623 | \$ 484,978 | \$ 17,401,365 | \$ 2,796,018 | \$ 796,300 | \$ 20,993,683 |
| Consultants | 488,130 | 194,958 | 98,269 | 348,217 | 28,940 | 24,388 | 31,553 | 20,187 | 781,249 | 2,015,891 | 1,006,824 | 112,588 | 3,135,303 |
| Subcontractor payments | 895,049 | - | 637,883 | - | - | - | - | - | - | 1,532,932 | - | - | 1,532,932 |
| Telephone | 350,517 | 282,027 | 117,620 | 28,649 | 22,975 | 21,036 | 18,318 | 15,032 | - | 856,174 | 39,796 | 11,325 | 907,295 |
| Occupancy | 428,302 | 144,734 | 86,247 | 32,321 | 27,804 | 23,438 | 22,638 | 14,301 | 638 | 780,423 | 58,499 | 14,182 | 853,104 |
| Software licenses | 231,835 | 96,604 | 62,145 | 72,273 | 17,008 | 34,448 | 14,340 | 9,223 | - | 537,876 | 65,217 | 9,163 | 612,256 |
| Partner participation expenses | - | - | - | 394,500 | - | - | - | - | - | 394,500 | 10,000 | - | 404,500 |
| Depreciation and amortization | 104,458 | 35,446 | 21,089 | 7,922 | 6,889 | 5,794 | 5,583 | 3,518 | 50,534 | 241,233 | 12,203 | 2,840 | 256,276 |
| Insurance | 86,694 | 29,418 | 17,503 | 6,574 | 5,718 | 4,808 | 4,634 | 2,920 | 46,344 | 204,613 | 16,108 | 2,621 | 223,342 |
| Office supplies and expenses | 581 | 354 | 349 | 11,400 | 35 | 71 | 384 | 18 | 1,388 | 14,580 | 157,663 | 43,413 | 215,656 |
| Equipment | 81,294 | 27,076 | 14,655 | 4,349 | 3,367 | 2,831 | 2,729 | 1,719 | - | 138,020 | 11,973 | 2,983 | 152,976 |
| Dues, licenses and permits | 4,606 | 2,554 | 2,651 | 37,284 | 202 | 222 | 4,654 | 2,695 | 18,295 | 73,163 | 56,068 | 15,506 | 144,737 |
| Temporary labor | 24,120 | 2,080 | 25,037 | 438 | 381 | 320 | 309 | 195 | - | 52,880 | 70,523 | 5,513 | 128,916 |
| Travel | 4,370 | 19,103 | 6,083 | 20,926 | 271 | 812 | 485 | 164 | 14,219 | 66,433 | 34,491 | 15,062 | 115,986 |
| Employee and volunteer recognition | 2,321 | 1,093 | 7,884 | 37 | 1,808 | 535 | 26 | 16 | - | 13,720 | 59,151 | 5,916 | 78,787 |
| Food and catering | 2,036 | - | (164) | 2,769 | - | - | 82 | - | 564 | 5,287 | 22,611 | 6,973 | 34,871 |
| Staff development | - | 227 | 700 | - | - | 78 | 15,775 | 225 | - | 17,005 | 16,460 | 329 | 33,794 |
| Advertising | - | 7,630 | - | - | - | - | - | - | - | 7,630 | 22,699 | - | 30,329 |
| Miscellaneous | 3,594 | - | - | - | - | - | - | - | - | 3,594 | 12,149 | - | 15,743 |
| Bank and service fees | 4 | 2 | 1 | 37 | - | - | - | - | - | 44 | 13,053 | 6 | 13,103 |
| Generator fuel and maintenance | - | - | - | - | - | - | - | - | - | - | 7,741 | 3,100 | 10,841 |
| Printing and duplicating | - | - | - | 624 | - | - | - | - | - | 624 | 7,261 | 2,910 | 10,795 |
| Postage | 716 | 414 | 2,638 | 23 | - | - | - | - | - | 3,791 | 3,642 | 46 | 7,479 |
| Total functional expenses | \$ 11,328,779 | \$ 3,892,639 | \$ 2,855,408 | \$ 2,145,509 | \$ 738,675 | \$ 883,078 | \$ 716,646 | \$ 402,836 | \$ 1,398,209 | \$ 24,361,779 | \$ 4,500,150 | \$ 1,050,775 | \$ 29,912,704 |

See accompanying independent auditor's report and notes to consolidated financial statements.

INFO LINE of San Diego County dba 2-1-1 San Diego and Subsidiaries

**Consolidated Statements of Cash Flows
Years Ended June 30, 2025 and 2024**

| | <u>2025</u> | <u>2024</u> |
|---|---------------------|---------------------|
| Cash flows from operating activities | | |
| Change in net assets | \$ 1,271,293 | \$ 611,054 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Depreciation | 326,753 | 256,276 |
| Amortization of right-of-use asset | 591,883 | 7,221 |
| Net realized and unrealized gains on investments | (218,710) | (195,487) |
| Loss on disposal of property and equipment | - | 100,537 |
| Allowance for doubtful accounts | 68,500 | - |
| Changes in cash resulting from change in: | | |
| Accounts receivable | 309,485 | (189,371) |
| CalFresh program receivable | 36,755 | 33,376 |
| Promises to give | - | 90,000 |
| Prepaid expenses and other current assets | 110,021 | (797,932) |
| Accounts payable | (458,706) | 271,823 |
| CalFresh program payable | (36,110) | (81,294) |
| Accrued expenses | (142,743) | 206,478 |
| Operating lease liability | (604,761) | - |
| Deferred revenue | 40,619 | 56,936 |
| | <u>1,294,279</u> | <u>369,617</u> |
| Cash flows from investing activities | | |
| Purchases of investments | (698,008) | (2,714,789) |
| Sale of investments | 748,453 | - |
| Purchases of property and equipment | - | (56,455) |
| Investment in SDHC | - | 955,498 |
| | <u>50,445</u> | <u>(1,815,746)</u> |
| Net cash provided by (used) in investing activities | | |
| Change in cash and cash equivalents | 1,344,724 | (1,446,129) |
| Cash and cash equivalents, beginning of year | 6,633,795 | 8,079,924 |
| Cash and cash equivalents, end of year | \$ <u>7,978,519</u> | \$ <u>6,633,795</u> |
| Supplemental disclosure of cash flow information | | |
| Interest paid | \$ <u>24,381</u> | \$ <u>2,813</u> |

See accompanying independent auditor's report and notes to consolidated financial statements.

Notes to Consolidated Financial Statements
Years Ended June 30, 2025 and 2024

Note 1 - Nature of Activities

INFO LINE of San Diego County dba 2-1-1 San Diego (“2-1-1 San Diego”) is a California nonprofit organization formed in 2003 that serves the entire population of its region and connects people with community, health, and disaster services through a free, 24/7 stigma-free phone service and searchable online database. 2-1-1 San Diego’s mission is to seamlessly connect people to resources, and partner with the community to transform how people access help. 2-1-1 San Diego’s support and revenue come primarily from contracts and grants.

Community Information Exchange (CIE) facilitates care coordination among social service and care providers in the greater San Diego region by using technology and processes to bring together information and people across safety net organizations.

San Diego Regional Healthcare Information Exchange dba San Diego Health Connect (SDHC) is a 501(c)(3) nonprofit organization incorporated in 2012 that provides the electronic exchange of patient healthcare information between hospitals, physicians and other healthcare providers. SDHC’s primary source of revenue is from participation fees in the health information exchange and from grants received. 2-1-1 San Diego secured executive oversight and common control of San Diego Regional Healthcare Information Exchange effective as of February 28, 2024.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements of the INFO LINE of San Diego County dba 2-1-1 San Diego and its subsidiaries have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applicable to not-for-profit organizations.

Principles of Consolidation

The consolidated financial statements include 2-1-1 San Diego, SDHC, and its wholly-owned subsidiary CIE (collectively, “the Organization”). Significant inter-company transactions and balances have been eliminated in consolidation.

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

- Net assets without donor restricted net assets represent expendable funds available for operations, which are not otherwise limited by donor restrictions.
- Net assets with donor restricted net assets consist of contributed funds subject to donor-imposed restrictions contingent upon specific performance of a future event or a specific passage of time before the Organization may use the funds.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. Management believes that the estimates made are reasonable.

Notes to Consolidated Financial Statements
Years Ended June 30, 2025 and 2024

Liquidity

The Organization’s financial assets available within one year of the consolidated statement of financial position date for general expenditures such as operating expenses and capital purchases are as follows:

| | | |
|--|----|--------------------------|
| | | 2025 |
| Cash and cash equivalents | \$ | 7,978,519 |
| Investments | | 3,078,541 |
| Accounts receivable, net | | 2,875,624 |
| CalFresh program receivable | | 136,425 |
| Total current assets | | <u>14,069,109</u> |
| Less amounts not available to be used within one year for general purposes: | | |
| Net Assets with donor restrictions | | <u>(266,674)</u> |
| Financial assets available to meet general expenditures within one year | \$ | <u><u>13,802,435</u></u> |

The amount above reflects financial assets available to be used for general expenditures within one year.

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of available funds. The Organization structures its financial assets to be available as general expenditures and other obligations become due.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with an original maturity of three months or less, when purchased, to be cash equivalents, unless held for reinvestment as part of the investment portfolio, pledged to secure loan agreements or otherwise designated or restricted. The carrying amount approximates fair value because of the short maturity of those instruments.

Accounts Receivable

Accounts receivable arise in the normal course of operations. It is the policy of management to review the outstanding accounts receivable at year end, as well as the bad debt write-offs experienced in the past, and establish an allowance for doubtful accounts for uncollectible amounts. Related customer invoices or grant reimbursements are written off when they are considered uncollectible. At June 30, 2025 and 2024, the allowance for doubtful accounts was \$68,500, and \$0, respectively.

Fair Value Measurements

Accounting Standards Codification (“ASC”) Topic 820, Fair Value Measurements, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements).

Notes to Consolidated Financial Statements
Years Ended June 30, 2025 and 2024

The three levels of the fair value hierarchy under ASC Topic 820 are described as follows:

- Level 1: Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2: Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the same term of the financial instrument.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The carrying value of cash, receivables and payables approximates fair value as of June 30, 2025 and 2024, due to the relative short maturities of these instruments.

Fixed Assets

Land, buildings and equipment purchased by the Organization are recorded at cost. The Organization follows the practice of capitalizing all expenditures for land, buildings and equipment in excess of \$5,000; the fair value of donated fixed assets is similarly capitalized. Depreciation is computed on the straight-line method based upon the following estimated useful lives of the assets:

| | Years |
|---|-------|
| Furniture and equipment | 7 |
| Leasehold improvements | 10 |
| Telecommunications equipment and software | 7 |
| Computers | 5 |

Leasehold improvements are amortized utilizing the straight-line method over the lesser of the useful life of the related asset or the lease term.

Valuation of Long-Lived Assets

ASC Topic 360, *Property, Plant, and Equipment* requires that long-lived assets and certain identifiable intangibles to be held and used by the Organization be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Impairment, which is determined based upon the estimated fair value of the asset, is recorded when estimated undiscounted cash flows expected to be generated by the asset is insufficient to recover its net carrying value. As of June 30, 2025 and 2024, the Organization did not identify any events or circumstances that would require the recognition of an impairment loss under this standard.

Lessee Arrangements

The Organization is the lessee under a non-cancelable real estate agreement. Beginning on July 1, 2022, the date of the Organization's adoption of Accounting Standards Update ("ASU") No. 2016-02, *Leases* ("Topic 842"), operating lease right-of-use ("ROU") assets and liabilities are recognized at the commencement date and initially measured based on the present value of lease payments over the defined lease term. The Organization's lease terms may include options to extend or terminate the lease. The Organization assesses these options using a threshold of reasonably certain. For a lease the Organization is reasonably certain to renew, those option periods are included within the lease term and, therefore, the measurement of the right-of-use asset and lease liability. The Organization's lease agreement does not contain any material residual value guarantees, restrictions or covenants.

Notes to Consolidated Financial Statements
Years Ended June 30, 2025 and 2024

As the Organization's leases do not provide an implicit rate, the incremental borrowing rates are estimated based on the information available at the commencement date in determining the present value of lease payments. The implicit rate will be used when readily determinable. The operating lease ROU asset also includes any prepaid lease payments made and is net of lease incentives. The Organization does not record an asset or liability for leases with a term of 12 months or less.

For additional information, including the required disclosures, related to the impact of this standard, see Note 6 – Contingencies and Commitments.

Deferred Revenue

Deferred revenue is defined as income received prior to the Organization earning the related revenue and is recorded as a liability. Deferred revenue is reduced and recorded as the income is earned. As of June 30, 2025 and 2024, deferred revenue totaled \$516,307 and \$475,688, respectively.

Revenue Recognition

The Organization follows current US GAAP guidance for revenue recognition, including guidance related to ASC Topics 606, 958, and other applicable provisions for revenue recognition. The details of the transactions are reviewed for appropriate application of the guidance. The Organization evaluates each source of revenue to determine whether the parties to the agreement have exchanged commensurate value for the transfer of resources, in which case, revenue is recognized in accordance with Topic 606 Revenue from Contracts with Customers. If commensurate value has not been exchanged for resources between the parties to the agreement the transaction is determined to be a contribution and revenue is recognized in accordance with guidance related to Topic 958 Not-for-Profit Entities. For transactions determined to be contracts with customers, the review includes identifying the contract and performance obligations, determining the transaction price and allocating the price to each performance obligation, and recognizing revenue as the performance obligations are met. For transactions determined to be contributions, the transaction review includes determining whether conditions exist that create a barrier that must be fulfilled for revenue to be recognized and whether there are donor imposed restrictions placed on the contribution related to the purpose for which the funds may be used.

Revenues and Support

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction.

When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished,) net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions. Contributions received with donor-imposed restrictions that are satisfied within the same reporting period are reported as support without donor restrictions and increase net assets without donor restrictions.

Grants and other revenues which are considered contracts for services and exchange transactions, are not recorded as restricted contributions. Grants received are recognized in the period in which the related work is performed or when qualified expenses are incurred in accordance with the terms of the grant or contract. Prepaid grants are recorded as deferred revenue.

Contributions may be solicited by special events such as fund-raising dinners, benefit concerts, or by "sales" of items, where the price charged is substantially greater than the cost of the items and the excess represents a contribution. The portion of a special event payment that is a contribution is recognized as revenue when received if the contribution is not conditioned on the event taking place. If the contribution portion of the special event payment is conditioned upon the event taking place, the contribution is conditional, and recognition is deferred.

Notes to Consolidated Financial Statements
Years Ended June 30, 2025 and 2024

Professional services are comprised of technology consulting services, training memberships, and providing subject matter expertise. The Organization provides consulting services to communities and businesses both locally and nationally. Consulting and training services are valued and reported at the estimated fair value in the financial statements based on current rates for similar services.

Fees for Service Revenue

In accordance with ASC 606, the policy of the Organization is to recognize revenue when the consulting service is performed, or the promise is delivered.

Contributed Materials and Services

Contributed goods are recorded at their estimated fair market value at the time of donation. Such items are capitalized or charged to operations as appropriate. The fair market value of contributed professional services is reported as support and expense in the period in which the services are performed.

The Organization received donated services from a variety of unpaid volunteers. No amounts have been recognized in the consolidated financial statements because the criteria for recognition as contributions of such volunteer effort have not been satisfied.

Allocation of Functional Expenses

The costs of program and supporting service activities have been summarized on a functional basis in the consolidated statement of functional expenses. The schedule presents the natural classification detail of expenses by function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Expenses are tracked using direct indemnification methodology of charging specific expenses as either program, management and general, or fundraising. The financial statements report certain categories of expense that are attributable to one or more programs of supporting functions. Expenditures which can be identified with a specific program or support services are allocated directly, according to their natural expenditure classification. Costs that are common to several functions are allocated among the program and supporting services based on time record, space utilized and estimated made by the Organization's management.

Advertising

The Organization expenses the cost of advertising as incurred. Total advertising expense during the years ended June 30, 2025 and 2024 was \$0 and \$30,239, respectively.

Income Taxes

2-1-1 San Diego and its subsidiaries, California nonprofit public benefit corporations, are exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code of 1954, as amended, and the Revenue and Taxation Code of the State of California.

For the years ended June 30, 2025 and 2024, management of 2-1-1 San Diego and its subsidiaries believes it has adequate support for all material tax positions and that it is more likely than not, based on the technical merits, that the positions will be sustained upon examination. 2-1-1 San Diego and its subsidiaries have analyzed the tax positions taken in their filings with the Internal Revenue Service and the California Franchise Tax Board. 2-1-1 San Diego and its subsidiaries believe that their income tax filing positions will be sustained upon examination and do not anticipate any adjustments that would result in a material adverse effect on the Organization's financial condition, results of operations or cash flows. Accordingly, the Organization has not recorded any reserves, or related accruals for interest and penalties, for uncertain income tax positions at June 30, 2025 and 2024.

Notes to Consolidated Financial Statements
Years Ended June 30, 2025 and 2024

The Organization uses a loss contingencies approach for evaluating uncertain tax positions and continually evaluates changes in tax law and new authoritative rulings. The Organization follows accounting standards generally accepted in the United States of America related to the recognition of uncertain tax positions. The Organization recognizes accrued interest and penalties associated with uncertain tax positions as part of the statement of activities, when applicable. Management has determined that the Organization has no uncertain tax positions at June 30, 2025 and 2024 and therefore no amounts have been accrued.

New Accounting Pronouncements

In February 2023, the FASB issued ASU 2023-09: Income taxes (Topic 740): Improvements to Income Tax Disclosures. ASU 2023-09 enhances transparency around income tax disclosures by requiring greater detail on taxes paid and clearer explanations of tax-related differences, especially for entities with unrelated business income or taxable subsidiaries. For not-for-profit organizations, the standard is effective for annual periods beginning after December 15, 2025, with early adoption permitted. Nonprofits must disclose total income taxes paid, disaggregated by federal, state, and foreign jurisdictions. If subject to income tax, they must also include a qualitative explanation of differences between the statutory and effective tax rates.

In April 2024, the Office of Management and Budget (“OMB”) updated and revised guidance for federal financial assistance, including revisions to 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (the federal regulations surrounding single audits). The effective date for the final guidance was October 1, 2024. The changes are intended to strengthen and streamline administration of federal assistance and to help recipients of federal funding focus more on the people they serve and to deliver results for their communities.

In March 2023, the FASB issued ASU 2023-01: Leases – Common Control Arrangements. ASU 2023-01 provides guidance for entities, including not-for-profits, on accounting for leasehold improvements associated with leases between entities under common control. For not-for-profit organizations, the standard is effective for fiscal years beginning after December 15, 2023. Leasehold improvements should be amortized over the useful life of the improvements to the common control group, regardless of the lease term. If the lessee no longer controls the use of the underlying asset, the remaining carrying amount of the leasehold improvements should be accounted for as a transfer between entities under common control. The Organization’s financial statements for the year ended June 30, 2025 were not materially impacted as a result of adopting this standard.

Subsequent events

Subsequent events have been evaluated through February 16, 2026, which is the date the consolidated financial statements were available to be issued and concluded no additional subsequent events have occurred that require recognition or disclosure.

Note 3 - Concentration Risks

Cash and Cash Equivalents

The Organization maintains cash balances at several financial institutions. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) and at times, balances may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk. The Organization’s uninsured cash balance was \$7,756,497 at June 30, 2025.

Revenue and Accounts Receivable

At June 30, 2025 and 2024, respectively, approximately 73% and 68% of the Organization’s support and revenue came from the County of San Diego. Approximately 41% and 49%, respectively, of their receivables came from the County of San Diego. All receivables are unsecured and are thus subject to credit risk. In the event the County of San Diego terminated funding, the Organization’s operating results would be adversely affected.

Notes to Consolidated Financial Statements
Years Ended June 30, 2025 and 2024

Note 4 - Investments

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at fair value as of June 30, 2025:

| 2025 | Level 1 | Level 2 | Level 3 | Total |
|--------------------|---------------------|-------------|-------------|---------------------|
| Equity funds | \$ 2,084,516 | \$ - | \$ - | \$ 2,084,516 |
| Fixed income funds | 994,025 | - | - | 994,025 |
| Total investments | <u>\$ 3,078,541</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 3,078,541</u> |

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at fair value as of June 30, 2024:

| 2024 | Level 1 | Level 2 | Level 3 | Total |
|--------------------|---------------------|-------------|-------------|---------------------|
| Equity funds | \$ 1,927,891 | \$ - | \$ - | \$ 1,927,891 |
| Fixed income funds | 982,385 | - | - | 982,385 |
| Total investments | <u>\$ 2,910,276</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,910,276</u> |

Investments in equity and fixed income funds are valued using market prices on active markets (Level 1). Level 1 instrument valuations are obtained from real-time quotes for transactions in active exchange markets involving identical assets. There were no transfers between levels during the years ended June 30, 2025 and 2024. Transfers are recognized at the end of the reporting period.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Investment return, net consists of the following for the years ended June 30, 2025 and 2024:

| | 2025 | 2024 |
|----------------------------------|-------------------|-------------------|
| Interest and dividends | \$ 103,729 | \$ 78,026 |
| Net realized and unrealized gain | 218,710 | 195,494 |
| Less: Investment management fees | <u>(19,704)</u> | <u>(11,998)</u> |
| Investment return, net | <u>\$ 302,735</u> | <u>\$ 261,522</u> |

Investment return, net is included under miscellaneous revenues and support on the accompanying consolidated statement of activities for the years ended June 30, 2025 and 2024.

Notes to Consolidated Financial Statements
Years Ended June 30, 2025 and 2024

Note 5 - Property and Equipment

Property and equipment consist of the following as of June 30, 2025 and 2024

| | 2025 | 2024 |
|-------------------------------|--------------------|--------------------|
| Leasehold improvements | \$ 1,555,662 | \$ 1,555,662 |
| Generator | 379,007 | 379,007 |
| Furniture and equipment | 348,904 | 348,904 |
| Computers and technology | 469,339 | 469,339 |
| HIE Platform | 491,327 | 491,327 |
| | <u>3,244,239</u> | <u>3,244,239</u> |
| Less accumulated depreciation | <u>(2,728,745)</u> | <u>(2,401,992)</u> |
| Total | <u>\$ 515,494</u> | <u>\$ 842,247</u> |

Depreciation expense was \$326,753 and \$256,276 for the years ended June 30, 2025 and 2024, respectively.

Note 6 - Commitments and Contingencies

Litigation

In the normal course of business, the Organization is occasionally named as a defendant in various claims. Management does not believe any claims will materially affect operations.

Grants and Contracts

The Organization has received funds from the federal, state and county for specific purposes that are subject to review by the grantor agencies. Although such reviews could generate expenditure disallowance under terms of the grants, Organization management believes that any required reimbursements or questioned costs will not be material. All funding is subject to federal, state, and local budgetary reductions.

Lease Commitment

The Organization leases program and administrative facilities under an operating lease that expires within one year. Rent expense totaled \$949,499 and \$853,104 for the years ended June 30, 2025 and 2024, respectively.

The Organization's lease includes a monthly fixed rent component. The Organization's lease does not provide an implicit rate, so the incremental borrowing rate, based on the information available at commencement date, is used in determining the present value of lease payments. The Organization used the incremental borrowing rate that corresponded to the start date of the lease term.

INFO LINE of San Diego County dba 2-1-1 San Diego and Subsidiaries

**Notes to Consolidated Financial Statements
Years Ended June 30, 2025 and 2024**

Supplemental balance sheet information related to the operating lease liability is as follows as of June 30, 2025 and 2024:

| | 2025 | 2024 |
|--|------------|--------------|
| Right-of-use asset obtained in exchange for lease obligation | | |
| Operating leases | \$ 558,300 | \$ 1,150,183 |
| Weighted average remaining lease terms | | |
| Operating leases (in months) | 11 | 23 |
| Weighted average discount rate | | |
| Operating leases | 2.88% | 2.88% |

As of June 30, 2025, the Organization does not have any leases that have not yet commenced but that create significant rights and obligations.

Minimum future rental payments under non-cancelable operating leases, in aggregate, having remaining terms in excess of one year for the year ended June 30, 2025 are as follows:

| | Total |
|--|------------|
| For the years ended June 30, | |
| 2026 | \$ 576,708 |
| Thereafter | - |
| Total minimum lease payments | 576,708 |
| Amount of interest | (6,858) |
| Present value of operating lease liability | \$ 569,850 |

Note 7 - Donor Restricted Net Assets

Net assets with donor restrictions consist of the following as of June 30, 2025 and 2024:

| | 2025 | 2024 |
|----------------------------|------------|-----------|
| Outreach and education | \$ 216,103 | \$ 36,135 |
| Food security | 50,000 | - |
| Disaster preparedness | 571 | 25,000 |
| Eligibility engine tool | - | 19,273 |
| Total purpose restrictions | \$ 266,674 | \$ 80,408 |

Notes to Consolidated Financial Statements
Years Ended June 30, 2025 and 2024

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by the passage of time for the years ended June 30, 2025 and 2024 are as follows:

| | <u>2025</u> | <u>2024</u> |
|--|-----------------------|----------------------|
| Programmatic restrictions for mission related projects | | |
| Disaster preparedness | \$ 24,429 | \$ 53,317 |
| CIE | - | 8,934 |
| Veterans-Military | - | 2,500 |
| Eligibility engine tool | 19,273 | - |
| Outreach and education | 236,032 | - |
| Transportation | <u>10,125</u> | <u>-</u> |
| Total | \$ <u>289,859</u> | \$ <u>64,751</u> |

Supplementary Information

INFO LINE of San Diego County dba 2-1-1 San Diego and Subsidiaries

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025**

| <u>Federal grantor / pass-through grantor / program title</u> | <u>Federal CFDA Number</u> | <u>Contract Number</u> | <u>Passed through to subrecipients</u> | <u>Federal Expenditures</u> |
|--|------------------------------------|------------------------|--|---------------------------------|
| U.S. Department of Agriculture | | | | |
| Pass Through Awards | | | | |
| Food and Nutrition Service - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program | 10.561 | 1000032955 | \$ 708,753 | \$ 3,168,026 |
| Total U.S. Department of Agriculture | | | <u>708,753</u> | <u>3,168,026</u> |
| U.S. Department of Housing and Urban Development | | | | |
| Pass Through Awards | | | | |
| County Department of Housing and Community Development Housing Waitlist: Housing Choice Vouchers | 14.871 | 560458 | - | 413,505 |
| City of Poway Community Development Block Grant | 14.218 | N/A | - | 16,946 |
| Grants to States for Medicaid Perinatal Care Network Line | 93.778 | 560458 | - | 265,000 |
| Economic Development Initiative, Community Project Funding | 14.251 | B-23-CP-CA-0144 | - | 266,861 |
| Total U.S. Department of Housing and Urban Development | | | <u>-</u> | <u>962,312</u> |
| Centers for Disease Control and Prevention | | | | |
| Pass Through Awards | | | | |
| County of San Diego Health & Human Services Agency HIV Prevention Ending the HIV Epidemic | 93.940 | 560458 | - | 23,500 |
| Total Centers for Disease Control and Prevention | | | <u>-</u> | <u>23,500</u> |
| Total Federal Expenditures | | | <u>\$ 708,753</u> | <u>\$ 4,153,838</u> |

INFO LINE of San Diego County dba 2-1-1 San Diego and Subsidiaries

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2025

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of INFO LINE of San Diego County dba 2-1-1 San Diego and its subsidiaries (the "Organization") under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of by 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 the Organization, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Organization.

2. Summary of Significant Accounting Policies

Expenditures are recognized following the cost principles contained in by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where applicable.

Revenues from award programs are recognized in the period in which terms of the grant or contractual agreements have been met and the revenue earned and are included in the Organization's consolidated financial statements as "grants and contracts."

3. Indirect Cost Rate

The Organization did not elect to use the 10% de minimus cost rate as covered in the Uniform Guidance 2.CFR.200.414 Indirect Costs.

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 and Audit Committee of
INFO LINE of San Diego County dba 2-1-1 San Diego

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 consolidated financial statements of INFO LINE of San Diego County dba 2-1-1 San Diego and its subsidiaries (the "Organization"), which comprise the consolidated statement of financial position as of June 30, 2025, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated February 16, 2026.

Report on Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated 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 the Organization's consolidated 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 consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

Handwritten signature of JGD & Associates, LLP in black ink.

San Diego, California
February 16, 2026

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Directors and Audit Committee of
INFO LINE of San Diego County dba 2-1-1 San Diego

Report on Compliance for Major Federal Program

Opinion on Major Federal Program

We have audited INFO LINE of San Diego County dba 2-1-1 San Diego and Subsidiaries (the "Organization") 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 INFO LINE of San Diego County dba 2-1-1 San Diego and Subsidiaries' major federal program for the year ended June 30, 2025. INFO LINE of San Diego County dba 2-1-1 San Diego and Subsidiaries' major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, INFO LINE of San Diego County dba 2-1-1 San Diego and Subsidiaries complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2025.

Basis for Opinion on 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 the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal program.

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 the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 the Organization's compliance with the requirements of the 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 the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies, 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.

 JCI Associates, LLP

San Diego, California
February 16, 2026

INFO LINE of San Diego County dba 2-1-1 San Diego and Subsidiaries

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2025**

Section I - Summary of Auditors' Results

Consolidated Financial Statements

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

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ yes X none identified
- Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ yes X none identified

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance _____ yes X no

Identification of major programs:

| <u>CFDA/Public Law Number</u> | <u>Name of Federal Program or Cluster</u> | <u>Expenditures</u> |
|-------------------------------|---|---------------------|
| 10.561 | Food and Nutrition Service – State Administrative Matching Grants for the Supplemental Nutrition Assistance Program | \$3,168,026 |

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

Auditee qualified as low-risk auditee? X yes _____ no

INFO LINE of San Diego County dba 2-1-1 San Diego and Subsidiaries

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2025**

Section II – Current Year Financial Statement Findings Section

There were no findings related to the consolidated financial statements which are required to be reported in accordance with *Generally Accepted Government Auditing Standards (GAGAS)*.

Section III – Current Year Federal Award Findings and Questioned Costs Section

None noted.

Section IV – Schedule of Prior Year Findings and Questioned Costs

None noted.