

CONTRA COSTA FAMILY JUSTICE ALLIANCE
(A California Nonprofit Corporation)

Financial Statements

December 31, 2020
(With Comparative Totals for 2019)

Contra Costa Family Justice Alliance

December 31, 2020

(With Comparative Totals for 2019)

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Independent Auditor's Report

To the Board of Directors of
Contra Costa Family Justice Alliance
Richmond, CA 94804

We have audited the accompanying financial statements of Contra Costa Family Justice Alliance (a California nonprofit organization) (the "Organization"), which comprise the statement of financial position as of December 31, 2020 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Contra Costa Family Justice Alliance as of December 31, 2020, 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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 16, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Ernst Winter & Associates LLP

Walnut Creek, CA
July 20, 2021

Contra Costa Family Justice Alliance
(A California Nonprofit Corporation)
Statement of Financial Position
December 31, 2020
(With Comparative Totals for 2019)

	2020	2019
Assets		
Current Assets		
Cash	\$ 1,479,051	\$ 659,178
Investments - certificates of deposit	302,501	-
Grant receivables	402,861	509,796
Other receivables	28,089	13,072
Prepaid expenses	26,488	29,446
Deposits	6,750	6,750
Total Current Assets	2,245,740	1,218,242
Non-Current Assets		
Property and equipment, net	214,789	281,167
Total Non-current Assets	214,789	281,167
Total Assets	\$ 2,460,529	\$ 1,499,409
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 44,612	\$ 32,951
Accrued rent	50,000	50,000
Deferred rent	60,526	50,190
Accrued compensation	89,418	70,349
Deferred revenue	-	2,065
Refundable advance	470,009	182,949
Other liabilities	10,007	23,773
Total Liabilities	724,572	412,277
Net Assets		
Net Assets without donor restrictions	1,477,919	964,310
Net Assets with donor restrictions	258,038	122,822
Total Net Assets	1,735,957	1,087,132
Total Liabilities and Net Assets	\$ 2,460,529	\$ 1,499,409

See independent auditor's report and accompanying notes.

Contra Costa Family Justice Alliance
(A California Nonprofit Corporation)
Statement of Activities
For the Year Ended December 31, 2020
(With Comparative Totals for 2019)

	2020			2019
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenue and Public Support				
Government grants and contracts	\$ 1,872,466	\$ -	\$ 1,872,466	\$ 1,757,114
Contributions	889,305	258,038	1,147,343	397,134
In-kind donations	137,000	-	137,000	136,996
Fundraising events, net	119,621	-	119,621	124,081
Other income	34,813	-	34,813	20,183
Net assets released from restrictions	122,822	(122,822)	-	-
Total Revenue and Public Support	3,176,027	135,216	3,311,243	2,435,508
Expenses				
Program services	2,117,897	-	2,117,897	1,798,663
Management and general	459,166	-	459,166	404,157
Fundraising	85,355	-	85,355	72,680
Total Expenses	2,662,418	-	2,662,418	2,275,500
Change in Net Assets	513,609	135,216	648,825	160,008
Net Assets, Beginning of Year	964,310	122,822	1,087,132	927,124
Net Assets, End of Year	\$ 1,477,919	\$ 258,038	\$ 1,735,957	\$ 1,087,132

See independent auditor's report and accompanying notes.

Contra Costa Family Justice Alliance
(A California Nonprofit Corporation)
Statement of Functional Expenses
For the Year ended December 31, 2020
(With Comparative Totals for 2019)

	<u>2020</u>				<u>2019</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fund-raising</u>	<u>Total Expenses</u>	<u>Total Expenses</u>
Compensation & benefits	\$ 701,949	\$ 185,508	\$ 34,073	\$ 921,530	\$ 802,443
Contract services	485,308	111,899	21,020	618,227	436,638
Occupancy	414,056	95,470	17,934	527,460	523,891
Client services	215,443	-	-	215,443	165,788
Accounting & finance services	74,050	17,074	3,207	94,331	96,559
Payroll taxes	52,403	12,083	2,270	66,756	59,924
Depreciation	52,107	12,014	2,257	66,378	59,729
Information technology	39,786	9,173	1,723	50,682	43,379
Supplies	18,794	4,333	814	23,941	12,594
Office costs	17,655	4,071	765	22,491	12,925
Insurance	13,697	3,158	593	17,448	14,853
Retirement plan cost	12,951	2,813	404	16,168	14,468
Equipment lease & rental	6,597	1,521	286	8,404	5,597
Grants to domestic organizations	6,000	-	-	6,000	16,200
Conferences and meetings	3,923	-	-	3,923	-
Travel	2,967	-	-	2,967	9,912
Direct fundraising	-	-	1,795	1,795	17,179
Other	211	49	9	269	600
	<u>\$ 2,117,897</u>	<u>\$ 459,166</u>	<u>\$ 87,150</u>	<u>\$ 2,664,213</u>	<u>\$ 2,292,679</u>
Less expenses included with revenues on the statements of activities:					
Direct fundraising	-	-	(1,795)	(1,795)	(17,179)
Total expenses included in the expense section on the statements of activities	<u>\$ 2,117,897</u>	<u>\$ 459,166</u>	<u>\$ 85,355</u>	<u>\$ 2,662,418</u>	<u>\$ 2,275,500</u>

See independent auditor's report and accompanying notes.

Contra Costa Family Justice Alliance
(A California Nonprofit Corporation)
Statement of Cash Flows
For the Year Ended December 31, 2020
(With Comparative Totals for 2019)

	2020	2019
Cash Flows from Operating Activities		
Change in net assets	\$ 648,825	\$ 160,008
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	66,378	59,729
Changes in operating assets and liabilities:		
Grant receivables	106,935	205,497
Other receivables	(15,017)	1,000
Prepaid expenses	2,958	(5,420)
Deposits	-	(6,750)
Accounts payable	11,661	(67,439)
Deferred rent	10,336	50,190
Accrued compensation	19,069	33,136
Refundable advance	287,060	182,949
Deferred revenue	(2,065)	(3,706)
Other liabilities	(13,766)	(26,018)
Net Cash Provided by Operating Activities	1,122,374	583,176
Cash Flows from Investing Activities		
Purchases of certificates of deposits	(302,501)	-
Purchases of property and equipment	-	(138,958)
Net Cash Used In Investing Activities	(302,501)	(138,958)
Net Increase in Cash	819,873	444,218
Cash at beginning of year	659,178	214,960
Cash at End of Year	\$ 1,479,051	\$ 659,178

See independent auditor's report and accompanying notes.

Contra Costa Family Justice Alliance

Notes to the Financial Statements

December 31, 2020

(With Comparative Totals for 2019)

1. Organization

Contra Costa Family Justice Alliance (“the Organization”) is a nonprofit public benefit corporation started in 2015 in Contra Costa County of California. The Organization’s mission is to bring the community together to support the healing of family violence survivors and to integrate capable partners with a comprehensive approach to renew individuals and the community from the trauma of family violence.

The Organization operates three Family Justice Centers in Contra Costa County: East Center in Antioch, Central Center in Concord, and West Center in Richmond. Each center is a warm and welcoming one-stop center providing a full range of trauma-informed services for children, youth and adults affected by interpersonal violence (IPV), including domestic violence, sexual assault, child abuse, elder abuse, and human trafficking. The Organization collaborates with over 60 direct service agencies, including law enforcement agencies, County agencies and non-profit partners, who serve clients on site at our centers. The Organization’s programs and services fall under three categories: (a) crisis support, (b) long-term safety, and (c) community building and education. Clients often arrive at the centers in crisis following a violent event, and crisis support services focus on meeting their immediate needs for safety, counseling, and civil legal services. Each client works with a “Navigator”, a single and trusted point of contact who guides and connects them with all the services they need. After addressing their crisis, clients make long-term safety plans with their Navigators, who connect them with services to enhance their long-term self-sufficiency, and ensure they will have the resources to live free of violence. These programs include: financial self-sufficiency classes, leadership skills-building programs, math, yoga, and parenting classes. The Organization’s community-building programs include the Family Justice Institute to provide professional training to service providers; Project Connect to increase community awareness of IPV; and the Community Fellowship Program in which survivors of violence develop leadership skills by creating their own community projects. The Organization is a model of collaboration that creates far-reaching positive results for its clients, their families and community at large.

2. Significant Accounting Policies

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting which recognizes income in the period earned and expenses when incurred in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

Net Assets

The Organization reports information regarding its financial position and activities according to two classes of net assets: with donor restriction and without donor restriction. Contributions restricted by donors are reported as increase in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Cash and Cash Equivalents

Cash equivalents are considered to be short-term, highly liquid investments with original maturities of three months or less, including bank money market accounts. There were no cash equivalents at December 31, 2020 and 2019.

Investments

Investments consist of certificates of deposit with maturity dates in excess of three months. Certificates of deposit are typically measured at the amount initially invested plus accrued interest.

Contra Costa Family Justice Alliance
Notes to the Financial Statements
December 31, 2020
(With Comparative Totals for 2019)

2. Significant Accounting Policies (Continued)

Revenue Recognition

Contributions and Grants

The Organization recognizes revenue from contributions, grants and contracts in accordance with Accounting Standards Update (“ASU”) 2018-08, Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (“ASU 2018-08”). Accordingly, the Organization evaluates whether a transfer of assets is (1) an exchange transaction in which a resource provider is receiving commensurate value in return for the resources transferred or (2) a contribution. If the transfer of assets is determined to be an exchange transaction, the Organization applies guidance under Accounting Standards Codification (“ASC”) Topic 606, Revenue from Contracts with Customers (“ASC 606”).

If the transfer of assets is determined to be a contribution, the Organization evaluates whether the agreement includes both (1) one or more barriers that must be overcome before the Organization is entitled to the assets transferred and promised and (2) a right of return of assets transferred or a right of release of a promisor’s obligation to transfer assets. If both items are met, the contribution is deemed conditional, and if both are not met, the contribution is unconditional.

Conditional contributions are recognized as revenue when the conditions on which they depend are substantially met. Any amounts received before conditions have been met are included as a refundable advance on the statement of financial position. Contributions received on a cost-reimbursement basis typically through government grants are considered conditional grants and recognized as revenue when related expenses are incurred and as conditions are met. As of December 31, 2020 and 2019, the Organization received refundable advances of \$470,009 and \$182,949 respectively.

Unconditional contributions are recognized immediately when the donor makes the promise to give, with or without donor restrictions. Restricted contributions are reported as increases in net assets with donor restrictions. When the restrictions are met the amount is shown as a reclassification of net assets with donor restrictions to net assets without donor restrictions. If the restriction is met in the same year, contributions are presented as increases in net assets without donor restrictions.

Both ASU 2018-08 and ASC 606 were effective for the year ended December 31, 2019. ASC 606 did not have a material impact on the statement of financial position, statement of activities, cash flows, business processes, controls or systems of the Organization as most of the revenue is recognized under ASU 2018-08.

Fundraising Events

The Organization records fundraising event revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place. Sponsorships are recorded as revenue at the time of commitment unless commensurate value is included as part of the agreement. The portion of sponsorship revenue that relates to commensurate value the sponsor received in return is recognized when the related events are held and performance obligations are met.

Contributed Materials and Services

The Organization records various types of gift-in-kind contributions. Contributed services are recognized at fair market value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair market value when received. During the years ended December 31, 2020 and 2019, the Organization received in-kind rent contributions of \$137,000 in both years.

Contra Costa Family Justice Alliance
Notes to the Financial Statements
December 31, 2020
(With Comparative Totals for 2019)

2. Significant Accounting Policies (Continued)

Property and Equipment

Property and equipment, if purchased, is recorded at cost. The Organization capitalizes fixed assets with a cost greater than \$1,000. Maintenance and repairs are charged to expense as incurred. Donations of property and equipment are recorded as support at their estimated fair value. Such donations 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. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at the time. Property and equipment are depreciated using the straight-line method of accounting over useful lives of 3 to 7 years.

Functional Expenses

The Organization allocates its expenses on a functional basis among its program and support services. Expenses that can be identified with a specific program or support service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated by various statistical bases.

Use of Estimates

The preparation of financial statement in conformity with generally accepted accounting principles in the United States require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates and may have impact on future periods.

Income Taxes

The Organization has been granted exemption from federal and state income taxes under Internal Revenue Code Section 501(c)(3) and by Section 23701(d) of the California Revenue Taxation Code. The Organization is not a private foundation. In addition, there was no unrelated business income tax for 2020 and 2019, and management believes that there are no uncertain tax positions. As a 501(c)(3) organization, donors qualify for the charitable deduction. Accordingly, there is no provision for federal or state income taxes. Federal and state tax authorities generally have the right to examine and audit the previous year of tax returns filed. However, unless there are unusual circumstances, the Organization would not be subject to examination of its federal income tax returns for years before 2017 or state returns for years before 2016 due to expiration of the applicable statute of limitations.

Deferred Rent

Deferred rent consists of the difference between cash payments and the recognition of rent expense on a straight-line basis over the life of the leases.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

Summarized Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class or functional expense categories. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2019, from which the summarized information was derived.

Contra Costa Family Justice Alliance
Notes to the Financial Statements
December 31, 2020
(With Comparative Totals for 2019)

3. New Accounting Pronouncements

Recently Issued Accounting Guidance, Not Yet Adopted

ASU 2016-02 Leases (Topic 842) (“ASU 2016-02”)

In February 2016, the FASB issued ASU 2016-02, which amends a number of aspects of lease accounting, including requiring lessees to recognize almost all leases with a term greater than one year as a right-of-use asset and corresponding liability, measured at the present value of the lease payments. ASU 2016-02 is effective beginning January 2022. It is required to be adopted using a modified retrospective approach. Early adoption is permitted. The Organization is evaluating the impact of the adoption of this standard.

4. Liquidity and Availability of Financial Assets

The Organization has \$1,954,464 of financial assets available within one year of December 31, 2020. The Organization strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2020 and 2019, comprise the following:

	2020	2019
Cash and cash equivalents	\$ 1,479,051	\$ 659,178
Investments – Certificates of deposit	302,501	-
Grants receivable	402,861	509,796
Other receivables	28,089	13,072
Net assets with donor restrictions	<u>(258,038)</u>	<u>(122,822)</u>
	<u>\$ 1,954,464</u>	<u>\$ 1,059,224</u>

5. Concentration of Credit Risk

The Organization maintains its cash in bank deposit accounts, which, at times, may have exceeded federally insured limits during the year.

At December 31, 2020 and 2019, 49% and 64% of total revenue and 96% and 80% of grant receivables, respectively, were from government grant contracts which were received from several divisions of two California agencies.

6. Property and Equipment

A summary of property and equipment at December 31, 2020 and 2019 is as follows:

	2020	2019
Furniture and fixtures	\$ 124,184	\$ 124,184
Equipment	76,153	76,153
Leasehold improvements	<u>224,150</u>	<u>224,150</u>
Total property and equipment	424,487	424,487
Less accumulated depreciation	<u>(209,698)</u>	<u>(143,320)</u>
Property and equipment, net	<u>\$ 214,789</u>	<u>\$ 281,167</u>

Depreciation expense totaled \$66,378 and \$59,729 in 2020 and 2019, respectively.

Contra Costa Family Justice Alliance
Notes to the Financial Statements
December 31, 2020
(With Comparative Totals for 2019)

7. Net Assets with Donor Restrictions

Net assets with donor restrictions at December 31, 2020 and 2019 consist of the following:

	2020	2019
Kaiser East – time restricted	\$ 200,000	\$ -
Kaiser Thrive – time restricted	50,000	-
Van Loben Sels/RembeRock – lawyers	8,038	6,138
Leshner Foundation – time restricted	-	75,000
The WA Gerbode Foundation – 2020 Census	-	25,000
Silicon Valley Foundation – 2020 Census	-	15,000
Other	-	1,684
Total	<u>\$ 258,038</u>	<u>\$ 122,822</u>

During 2020 and 2019, net assets released from donor restrictions by incurring expenses satisfying the restricted purpose specified by donors or by occurrence of passage of time:

	2020	2019
Leshner Foundation – time restricted	\$ 75,000	\$ -
The WA Gerbode Foundation – 2020 Census	25,000	-
Silicon Valley Foundation – 2020 Census	15,000	-
Van Loben Sels/RembeRock – lawyers	6,138	6,258
Other	1,684	-
Leshner Foundation – capital improvements	-	75,000
Kaiser East – capital improvements	-	73,400
San Francisco Foundation – time restricted	-	22,500
Total	<u>\$ 122,822</u>	<u>\$ 177,158</u>

8. Retirement Plan

The Organization has a Simple IRA plan. The plan calls for the Organization to contribute 2% of eligible annual compensation. The plan covers all employees with annual earnings of more than \$5,000 and is effective immediately upon commencement of employment. Upon commencement of employment, employees are eligible to contribute to the plan, up to the applicable limitation for that year. During the years ended December 31, 2020 and 2019, the Organization contributed \$16,168 and \$14,468, respectively, which is included in retirement plan cost on the accompanying Statement of Functional Expenses.

9. Lease Commitments

In January 2013, the Organization entered into a 10-year non-cancelable operating lease for office space with the City of Richmond that expires in January 2023. Under the terms of the lease, the annual base rent is \$12. Each year the City of Richmond and the Organization agree upon additional rent payments and in-kind contribution of rent. In the years ended 2020 and 2019, the Organization paid \$100,000 each year in addition to the base rent and received an in-kind contribution of \$137,000 in both years.

In December 2014, the Organization entered into a 3-year non-cancelable operating lease for office space in Concord, California. The lease was modified and further extended to June 30, 2026, with reduction of premises and costs.

In July 2019, the Organization entered into a 10-year non-cancelable operating lease for office space in Antioch, California that expires in June 2029.

Contra Costa Family Justice Alliance
Notes to the Financial Statements
December 31, 2020
(With Comparative Totals for 2019)

9. Lease Commitments (Continued)

For the years ended December 31, 2020 and 2019, total rent expense for the three locations were \$492,910 and \$493,631 respectively, and is included in occupancy on the accompanying Statement of Functional Expenses.

Minimum future lease payments under non-cancelable operating leases are as follows at December 31, 2020:

Year ending December 31,	
2021	\$ 187,318
2022	193,936
2023	202,485
2024	244,164
2025	218,475
Thereafter	<u>352,953</u>
	<u>\$ 1,366,331</u>

10. Paycheck Protection Program Loan

On April 23, 2020, the Organization obtained a loan under the Paycheck Protection Program (the “PPP”) under Division A, Title I of the CARES Act in the aggregate amount of \$188,080 (the “PPP Loan”).

The PPP Loan, which was in the form of a Note, matures on April 23, 2022 and bears interest at a rate of 1% per annum. The PPP Loan may be prepaid by the Borrower at any time prior to maturity with no prepayment penalties. The PPP Loan may also be forgiven provided the loan proceeds are only used for payroll costs, mortgage interest payments, lease payments, and utilities incurred during the 24-week period following the date of the loan. The Organization applied for and received forgiveness of the full loan amount on July 19, 2021 and will record it as a grant in fiscal year 2021. The loan amount is included in refundable advance on the Statement of Financial Position at December 31, 2020.

11. Line of Credit

In May 2020, the Organization obtained a \$200,000 revolving line of credit from Western Alliance Bank with maturity date extended to May 2022, to help finance its short-term capital needs. This line is collateralized by all of Organization’s assets, and interest is payable monthly on outstanding balances at an interest rate of 1% over the “Wall Street Journal” Prime Rate (which was 5.75% at the time of the agreement). No borrowings occurred during 2020.

12. Risk and Uncertainties

The global pandemic caused by COVID-19 developed rapidly in 2020 and resulted in a high level of uncertainty and volatility that impacted businesses in all sectors. At this stage, the impact to the Organization’s business and financial results has not been significant. Based on management’s experience to date, management expects this to remain the case. The Organization has taken certain health and safety operational measures and continues to follow government policies and advice. While there has not been a material impact thus far, the timeframe and outcome of the pandemic are uncertain.

Contra Costa Family Justice Alliance
Notes to the Financial Statements
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(With Comparative Totals for 2019)

13. Subsequent Events

Management has considered events or transactions occurring subsequent to December 31, 2020 through July 20, 2021, which represents the date the financial statements were available to be issued.

The Organization applied for and received forgiveness of the full PPP loan amount of \$188,080 on July 19, 2021, (see footnote 10).