

CONTRA COSTA FAMILY JUSTICE ALLIANCE
(A California Nonprofit Corporation)

Audited Financial Statements and Supplementary Information
with Single Audit Reports and Schedules

December 31, 2021
(With Comparative Totals for 2020)

Contra Costa Family Justice Alliance

December 31, 2021
(With Comparative Totals for 2020)

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinion

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, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2021, 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 Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules 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*, and Cal-OES Grant Revenue and Expense, are presented for purposes of additional analysis and are not required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 11, 2022, on our consideration of the Organization's 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 the Organization's 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 the Organization's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited the Organization's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 20, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Ernst Wintler & Associates LLP

Walnut Creek, CA
August 11, 2022

Contra Costa Family Justice Alliance
(A California Nonprofit Corporation)
Statement of Financial Position
December 31, 2021
(With Comparative Totals for 2020)

	2021	2020
Assets		
Current Assets		
Cash	\$ 905,992	\$ 1,479,051
Investments	1,322,257	302,501
Grant receivables	947,497	402,861
Other receivables	40,377	28,089
Prepaid expenses	24,936	26,488
Total Current Assets	3,241,059	2,238,990
Non-Current Assets		
Deposits	6,750	6,750
Property and equipment, net	192,990	214,789
Total Non-current Assets	199,740	221,539
Total Assets	\$ 3,440,799	\$ 2,460,529
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 98,058	\$ 44,612
Accrued rent	50,000	50,000
Deferred rent	83,772	60,526
Accrued compensation	89,822	89,418
Refundable advances	224,615	470,009
Other liabilities	79,812	10,007
Total Liabilities	626,079	724,572
Net Assets		
Net Assets without donor restrictions	2,350,611	1,477,919
Net Assets with donor restrictions	464,109	258,038
Total Net Assets	2,814,720	1,735,957
Total Liabilities and Net Assets	\$ 3,440,799	\$ 2,460,529

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, 2021

(With Comparative Totals for 2020)

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenue and Public Support				
Government grants and contracts	\$ 2,269,614	\$ -	\$ 2,269,614	\$ 1,872,466
Contributions	1,319,612	464,109	1,783,721	1,147,343
In-kind donations	137,000	-	137,000	137,000
Fundraising events, net	84,725	-	84,725	119,621
Other income	51,101	-	51,101	34,813
Net assets released from restrictions	258,038	(258,038)	-	-
Total Revenue and Public Support	4,120,090	206,071	4,326,161	3,311,243
Expenses				
Program services	2,604,311	-	2,604,311	2,117,897
Management and general	547,578	-	547,578	459,166
Fundraising	95,509	-	95,509	85,355
Total Expenses	3,247,398	-	3,247,398	2,662,418
Change in Net Assets	872,692	206,071	1,078,763	648,825
Net Assets, Beginning of Year	1,477,919	258,038	1,735,957	1,087,132
Net Assets, End of Year	\$ 2,350,611	\$ 464,109	\$ 2,814,720	\$ 1,735,957

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, 2021
(With Comparative Totals for 2020)

	<u>2021</u>				<u>2020</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fund-raising</u>	<u>Total Expenses</u>	<u>Total Expenses</u>
Compensation and benefits	\$ 902,732	\$ 231,973	\$ 36,388	\$ 1,171,093	\$ 921,530
Contract services	654,074	150,812	28,329	833,215	618,227
Occupancy	375,237	86,519	16,252	478,008	527,460
Client services	291,458	-	-	291,458	215,443
Accounting and finance services	98,158	22,633	4,251	125,042	94,331
Payroll taxes	68,007	15,680	2,945	86,632	66,756
Depreciation	57,437	13,244	2,488	73,169	66,378
Information technology	38,814	8,950	1,681	49,445	50,682
Office costs	29,169	6,725	1,263	37,157	22,491
Grants to domestic organizations	35,525	-	-	35,525	6,000
Retirement plan cost	16,881	3,667	527	21,075	16,168
Supplies	11,965	2,759	518	15,242	23,941
Insurance	11,894	2,743	515	15,152	17,448
Direct fundraising	-	-	9,720	9,720	1,795
Equipment lease and rental	6,222	1,435	270	7,927	8,404
Travel	3,206	-	-	3,206	2,967
Other	1,898	438	82	2,418	269
Conferences and meetings	1,634	-	-	1,634	3,923
	<u>\$ 2,604,311</u>	<u>\$ 547,578</u>	<u>\$ 105,229</u>	<u>\$ 3,257,118</u>	<u>\$ 2,664,213</u>
Less expenses included with revenues on the statements of activities:					
Direct fundraising	-	-	(9,720)	(9,720)	(1,795)
Total expenses included in the expense section on the statements of activities	<u>\$ 2,604,311</u>	<u>\$ 547,578</u>	<u>\$ 95,509</u>	<u>\$ 3,247,398</u>	<u>\$ 2,662,418</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, 2021
(With Comparative Totals for 2020)**

	2021	2020
Cash Flows from Operating Activities		
Change in net assets	\$ 1,078,763	\$ 648,825
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	73,169	66,378
Paycheck protection program loan forgiveness	(190,410)	-
Unrealized gains	(4,347)	-
Changes in operating assets and liabilities:		
Grant receivables	(544,636)	106,935
Other receivables	(12,288)	(15,017)
Prepaid expenses	1,552	2,958
Accounts payable	53,446	11,661
Deferred rent	23,246	10,336
Accrued compensation	404	19,069
Refundable advances	(54,984)	98,980
Deferred revenue	-	(2,065)
Other liabilities	69,805	(13,766)
Net Cash Provided by Operating Activities	493,720	934,294
Cash Flows from Investing Activities		
Purchases of investments	(1,015,409)	(302,501)
Purchases of property and equipment	(51,370)	-
Net Cash Used In Investing Activities	(1,066,779)	(302,501)
Cash Flows from Financing Activities		
Proceeds from paycheck protection program loan	-	188,080
Net Cash Provided by Financing Activities	-	188,080
Net (Decrease) Increase in Cash	(573,059)	819,873
Cash at beginning of year	1,479,051	659,178
Cash at End of Year	\$ 905,992	\$ 1,479,051

See independent auditor's report and accompanying notes.

Contra Costa Family Justice Alliance

Notes to the Financial Statements

December 31, 2021

(With Comparative Totals for 2020)

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 the 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, 2021 and 2020.

Contra Costa Family Justice Alliance
Notes to the Financial Statements
December 31, 2021
(With Comparative Totals for 2020)

2. Significant Accounting Policies (Continued)

Investments

Investments in marketable equity securities with readily determinable fair values are stated at fair market value. Certificates of deposit with maturity dates in excess of three months are typically measured at the amount initially invested plus accrued interest. Realized gains or losses on investments represent the difference between the original cost of the investments and the related market price on the sale date. When investment securities are sold, gains or losses are classified as realized. The difference between the original cost and the estimated fair value of investments owned at the end of the year represents unrealized gains or losses. At the time investments are sold, unrealized gains or losses on the investment will be reclassified as realized.

Fair Value Measurements

The Fair Value Measurements Topic of the FASB Accounting Standards Codification establishes 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 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 Unobservable inputs for the asset or liability.

Determination of Fair Value

Under the Fair Value Measurements Topic of the FASB Accounting Standards Codification, the Organization bases its fair value on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between participants at the measurement date. It is the Organization's policy to maximize the use of observable inputs and minimize the use of unobservable inputs when developing fair value measurements, in accordance with the fair value hierarchy. Fair value measurements for assets and liabilities where there exists limited or no observable market data and, therefore, are based primarily upon management's own estimates, are often calculated based on current pricing policy, the economic and competitive environment, the characteristics of the asset or liability and other such factors. Therefore, the results cannot be determined with precision and may not be realized in an actual sale or immediate settlement of the asset or liability. Additionally, there may be inherent weaknesses in any calculation technique, and changes in the underlying assumptions used.

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

Contra Costa Family Justice Alliance
Notes to the Financial Statements
December 31, 2021
(With Comparative Totals for 2020)

2. Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Contributions and Grants (Continued)

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 advances 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, 2021 and 2020, the Organization received refundable advances of \$224,615 and \$470,009 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.

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, 2021 and 2020, the Organization received in-kind rent contributions of \$137,000 in both years.

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.

Contra Costa Family Justice Alliance
Notes to the Financial Statements
December 31, 2021
(With Comparative Totals for 2020)

2. Significant Accounting Policies (Continued)

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 2370l(d) of the California Revenue Taxation Code. The Organization is not a private foundation. In addition, there was no unrelated business income tax for 2021 and 2020, 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.

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, 2020, from which the summarized information was derived.

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.

ASU 2020-07 Not-for-Profit Entities (Topic 958) – Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets

In September 2020, the FASB issued ASU 2020-07, that increases transparency of contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure. The update should be applied on a retrospective basis and are effective for annual periods beginning after June 15, 2021. Management is evaluating the impact of the adoption of this standard on the Organization's financial statements and does not expect a material impact.

Contra Costa Family Justice Alliance
Notes to the Financial Statements
December 31, 2021
(With Comparative Totals for 2020)

4. Liquidity and Availability of Financial Assets

The Organization has \$2,752,014 of financial assets available within one year of December 31, 2021. 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, 2021 and 2020, comprise the following:

	2021	2020
Cash	\$ 905,992	\$ 1,479,051
Investments – Certificates of deposit	1,322,257	302,501
Grants receivable	947,497	402,861
Other receivables	40,377	28,089
Net assets with donor restrictions	<u>(464,109)</u>	<u>(258,038)</u>
	<u>\$ 2,752,014</u>	<u>\$ 1,954,464</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, 2021 and 2020, 51% and 49% of total revenue and 67% and 96% of grant receivables, respectively, were from private foundations and government grant contracts which were received from several divisions of State of California Governor’s office of Emergency Services and Contra Costa County Employment and Human Services.

6. Property and Equipment

A summary of property and equipment at December 31, 2021, and 2020 is as follows:

	2021	2020
Furniture and fixtures	\$ 124,184	\$ 124,184
Equipment	97,564	76,153
Leasehold improvements	<u>224,150</u>	<u>224,150</u>
Total property and equipment	445,898	424,487
Less accumulated depreciation	<u>(252,908)</u>	<u>(209,698)</u>
Property and equipment, net	<u>\$ 192,990</u>	<u>\$ 214,789</u>

Depreciation expense totaled \$73,169 and \$66,378 in 2021 and 2020, respectively.

7. Net Assets with Donor Restrictions

Net assets with donor restrictions at December 31, 2021 and 2020 consist of the following:

	2021	2020
Kaiser East – time restricted	\$ 300,000	\$ 200,000
Leshner Foundation – time restricted	100,000	-
Blue Shield Amplify – program restricted	60,681	-
Other	3,428	-
Kaiser Thrive – time restricted	-	50,000
Van Loben Sels/RembeRock – lawyers	-	8,038
Total	<u>\$ 464,109</u>	<u>\$ 258,038</u>

Contra Costa Family Justice Alliance
Notes to the Financial Statements
December 31, 2021
(With Comparative Totals for 2020)

7. Net Assets with Donor Restrictions (Continued)

During 2021 and 2020, net assets released from donor restrictions by incurring expenses satisfying the restricted purpose specified by donors or by occurrence of passage of time:

	2021	2020
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>

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, 2021 and 2020, the Organization contributed \$21,075 and \$16,168, 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 2021 and 2020, 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 expansion 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.

For the years ended December 31, 2021 and 2020, total rent expense for the three locations were \$438,313 and \$492,910 respectively, and is included in occupancy on the accompanying statement of functional expenses.

In July 2019, the Organization entered into a 39 months operating lease for a copier in Antioch, California that expires in September 2022.

In March 2018, the Organization entered into 39 months operating lease for a copier in Richmond, California which ended in June 2021. The lease was further extended for 39 months that expires in September 2024.

Contra Costa Family Justice Alliance
Notes to the Financial Statements
December 31, 2021
(With Comparative Totals for 2020)

9. Lease Commitments (Continued)

Minimum future lease payments under non-cancelable operating leases are as follows at December 31, 2021:

Year ending December 31,

2022	\$	240,982
2023		248,579
2024		256,846
2025		261,402
2026		180,294
Thereafter		<u>196,500</u>
	\$	<u>1,384,603</u>

10. Investments

At December 31, 2021 and 2020, investments are segregated in brokerage accounts as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Money market funds	\$ 6,429	\$ -
Equity mutual funds	438,459	-
Fixed income mutual funds	572,717	-
Certificates of deposit	<u>304,652</u>	<u>302,501</u>
Total	<u>\$ 1,322,257</u>	<u>\$ 302,501</u>

11. Fair Value Measurements

The tables below present the amounts of assets measured at fair value on a recurring basis:

	December 31, 2021			
	Level 1	Level 2	Level 3	Total
Assets at fair value:				
Money market funds	\$ 6,429	\$ -	\$ -	\$ 6,429
Equity mutual funds	438,459	-	-	438,459
Fixed income mutual funds	572,717	-	-	572,717
Total assets at fair value	\$ 1,017,605	\$ -	\$ -	\$ 1,017,605

12. Paycheck Protection Program Loan

The Organization received a loan in the amount of \$188,080 under the Paycheck Protection Program established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The loan was subject to a note dated April 23, 2020. The Organization applied for and has been notified that \$188,080 in eligible expenditures for payroll and other expenses described in the CARES Act has been forgiven.

Loan forgiveness income for the loan is reflected in government grants and contracts in the accompanying statement of activities.

Contra Costa Family Justice Alliance
Notes to the Financial Statements
December 31, 2021
(With Comparative Totals for 2020)

13. 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 2021 or 2020.

14. Risk and Uncertainties

The global pandemic caused by COVID-19 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.

15. Subsequent Events

The Organization has evaluated subsequent events through August 11, 2022, the date which the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

**Contra Costa Family Justice Alliance
(A California Nonprofit Corporation)
Schedule of CAL-OES Grant Revenue and Expense
For the Year Ended December 31, 2021**

	Federal					Non-Federal	
	Domestic Violence Housing First Program	Innovative Response to Marginalized Victims Program	Child Abuse Treatment Program	Increased Access to Service Program	Elder Abuse Prevention Project	Family Justice Center Program	Family Justice Center Program
Grant Subward Number	XD20 03 1199	KI20 03 1199	AT20 01 1199	KU19 01 1199	2018-V2-GX-0029	FJ18 01 1199	FJ18 A1 1199
Grant Performance Period	1/1/21-12/31/2021	1/1/21-12/31/2021	1/1/21-12/31/2021	4/1/20-6/30/21	1/1/21-12/31/21	1/1/19-3/31/21	1/1/19-3/31/21
Revenue							
Grants	\$ 338,110	\$ 175,194	\$ 257,492	\$ 67,169	\$ 104,790	\$ 21,222	\$ 35,033
Total revenue	338,110	175,194	257,492	67,169	104,790	21,222	35,033
Expenses							
Personnel expenses	55,625	145,563	83,175	53,493	14,449	7,183	16,400
Operating expenses	281,289	23,316	171,264	12,016	90,128	14,179	19,082
Total expenses	336,914	168,879	254,439	65,509	104,577	21,362	35,482
Excess (deficiency) of revenues over expenses⁽¹⁾	\$ 1,196	\$ 6,315	\$ 3,053	\$ 1,660	\$ 213	\$ (140)	\$ (449)

(1) Excess or deficiency results from actual incurred overhead versus amount allowed to be billed per grant terms.

SINGLE AUDIT REPORTS AND SCHEDULES

**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
Contra Costa Family Justice Alliance

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Contra Costa Family Justice Alliance (a California nonprofit organization) (the “Organization”), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 11, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 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. We identified deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 and 2021-002 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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.

Ernst Winter & Associates LLP

Walnut Creek, CA
August 11, 2022

**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
Contra Costa Family Justice Alliance

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Contra Costa Family Justice Alliance (a California nonprofit organization) (the “Organization”)’s 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 the Organization’s major federal programs for the year ended December 31, 2021. The Organization’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of 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 each 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 programs.

Auditor’s Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on 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 each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding 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, 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.

Ernst & Young Associates LLP

Walnut Creek, CA
August 11, 2022

**Contra Costa Family Justice Alliance
(A California Nonprofit Corporation)
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021**

Federal Grantor/Program Title/ Pass-Through Grantor	Federal CFDA Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Justice				
<u>Crime Victim Assistance Program</u>				
Passed-through State of California Governor's Office of Emergency Services				
Domestic Violence Housing First Program	16.575	XD20 03 1199	\$ 133,389	\$ 338,110
Innovative Response to Marginalized Victims Program	16.575	KI20 03 1199	-	175,194
Child Abuse Treatment Program	16.575	AT20 01 1199	157,595	257,492
Increased Access to Service Program	16.575	KU19 01 1199	-	67,169
Elder Abuse Prevention Project	16.575	2018-V2-GX-0029	-	104,790
<u>Abuse in Later Life Program</u>				
Passed-through Contra Costa County Employment and Human Services Abuse in Later Life Program				
	16.528	2020-EW-AX-K006	-	23,988
<u>Improving Criminal Justice Responses Program</u>				
Passed-through Contra Costa County Employment and Human Services Improving Criminal Justice Responses				
	16.590	2015-WE-AX-0014	-	136,501
U.S Department of Housing and Urban Development				
<u>Community Development Block Grant Program</u>				
Passed-through Contra Costa County Family Justice Navigation Program				
	14.218	B-21-UC-06-002	-	7,162
Passed-through City of Concord Family Justice Navigation Program				
	14.218	B-20-MC-06-0009	-	22,955
Passed-through City of Antioch Family Justice Navigation Program				
	14.218	B-20-MC-06-0045	-	15,642
U.S Department of Health and Human Services				
<u>Title X Program</u>				
Passed-through Essential Access Health Title X Family Planning Program				
	93.217	FPHPA006470-02	-	25,000
Title X Family Planning Program	93.217	FPHPA006470-03-00	-	20,196
Total Expenditures of Federal Award			<u>\$ 290,984</u>	<u>\$ 1,194,199</u>

**Contra Costa Family Justice Alliance
Schedule of Findings and Questioned Costs
December 31, 2021**

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of Contra Costa Family Justice Alliance (a California nonprofit organization) (the “Organization”) under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of 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 reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, where certain types of expenditures are not allowable or limited as to reimbursement. Pass-through entity identifying numbers are presented where available and applicable.

3. INDIRECT COST RATE

The Organization has elected to use the 10% de minimis indirect cost rate as covered in 2 CFR §200.414.

4. SUBRECIPIENTS

Of the federal expenditures presented in the Schedule, the Organization provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>CFDA Number</u>	<u>Amount</u>
Crime Victim Assistance	16.575	\$ 290,984

**Contra Costa Family Justice Alliance
 Schedule of Findings and Questioned Costs
 December 31, 2021**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered To be material weaknesses?	Yes
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered To be material weaknesses?	None reported
Type of auditor’s report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major programs:	
<u>Name of Federal Program or Cluster</u>	<u>CFDA Number</u>
Crime Victim Assistance	16.575
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee?	No

**Contra Costa Family Justice Alliance
Schedule of Findings and Questioned Costs
December 31, 2021**

SECTION II – SUMMARY OF FINANCIAL STATEMENT FINDINGS

Finding 2021-001

Significant Deficiency in Internal Controls – Revenue Recognition

Criteria: A significant deficiency in internal control over revenue recognition was found during the audit.

Condition: During the course of our audit, we found that the Organization received conditional grants in advance. These advances were recorded in net assets with donor restrictions when conditions were not yet met. In addition, there were two multi-year unconditional grants that were not recorded as receivable.

Effect: The conditional grant advance resulted in an overstatement of net assets with donor restrictions. The multi-year grant issue resulted in an understatement of receivables and revenue.

Cause: The finding was caused by improper review of analysis of grants and contributions letters in accordance with GAAP.

Recommendation: We recommend that management properly evaluate and have a review of each grant and contributions to determine proper recognition.

Management’s Response: Management agrees with the finding and has provided the corrective action plan following the single audit reports.

Finding 2021-002

Significant Deficiency in Internal Controls – SEFA

Criteria: A significant deficiency in internal control over the completeness of the Schedule of Expenditures of Federal Awards (SEFA).

Condition: The Organization did not initially identify one federal award. The SEFA schedule was revised and properly presented.

Effect: The Organization’s initial SEFA was not complete.

Cause: The finding was caused by not properly reviewing the SEFA.

Recommendation: The Organization must design and implement effective internal control procedures to ensure the SEFA is complete and reviewed.

Management’s Response: Management agrees with the finding and has provided the corrective action plan following the single audit reports.

SECTION III – SUMMARY OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There are no federal award findings to be reported.

SECTION IV – SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

A single audit was not performed in the prior year; as such the prior audit did not contain a schedule of findings and questioned costs.

Management's Corrective Action Plan (8/27/22)

For the Year Ended December 31, 2021

Contact Person:

Susun Kim, Executive Director
(510) 423-8681

Explanation and specific reasons for disagreement with the audit finding or that corrective action is not required (if applicable):

No disagreement.

Finding 2021-001

Corrective action taken/planned:

Contra Costa Family Justice Alliance (the "Organization") adjusts its financial statements to GAAP after year end for audit purposes. The addition of a full-time accounting manager in mid-2022 will provide future additional oversight and review of all year-end GAAP adjusting entries, with particular attention to revenue recognition of multi-year foundation awards. Finance will receive a complete copy of each contract/award upon approval, for thorough review with management prior to implementation of award expenditure and tracking.

Finding 2021-002

Corrective action taken/planned:

The Organization adjusts its financial statements to GAAP after year end for audit purposes. The federal award in question was completed in early in 2021 and was properly expended. The addition of a full-time accounting manager in mid-2022 will provide future additional oversight and review of all year-end GAAP adjusting entries, with particular attention to SEFA inclusivity regarding federal funding.

Anticipated completion date:

September 1, 2022