CONTRA COSTA FAMILY JUSTICE ALLIANCE
(A California Nonprofit Corporation)

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

December 31, 2022
(With Comparative Totals for 2021)

ERNST WINTTER & ASSOCIATES LLP
Certified Public Accountants

Contra Costa Family Justice Alliance

December 31, 2022
(With Comparative Totals for 2021)

Table of Contents

675 Ygnacio Valley Road, Suite A200 *(925) 933-2626*
Walnut Creek, CA 94596 *Fax (925) 944-6333*

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, 2022, 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, 2022, 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 reports dated September 12, 2023, 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 those reports 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. These reports are 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 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 11, 2022. 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 Wintter & Associates LLP

Walnut Creek, CA
September 12, 2023

Contra Costa Family Justice Alliance
(A California Nonprofit Corporation)
Statement of Financial Position
December 31, 2022
(With Comparative Totals for 2021)

	2022	2021
Assets		
Current Assets		
Cash	$ 1,518,057	$ 905,992
Investments	1,624,137	1,322,257
Grant receivables	865,611	947,497
Other receivables	103,058	40,377
Prepaid expenses	25,707	24,936
Total Current Assets	4,136,570	3,241,059
Non-Current Assets		
Deposits	6,750	6,750
Operating lease right-of-use asset	1,162,933	-
Property and equipment, net	122,096	192,990
Total Non-current Assets	1,291,779	199,740
Total Assets	$ 5,428,349	$ 3,440,799
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	$ 111,648	$ 98,058
Accrued rent	-	50,000
Deferred rent	-	83,772
Accrued compensation	130,148	89,822
Refundable advances	606,756	224,615
Other liabilities	50,012	79,812
Operating lease liability, current	249,914	-
Total Current Liabilities	1,148,478	626,079
Non-Current Liabilities		
Operating lease liability	1,018,741	-
Total Non-current Liabilities	1,018,741	-
Total Liabilities	2,167,219	626,079
Net Assets		
Net Assets without donor restrictions	2,674,331	2,350,611
Net Assets with donor restrictions	586,799	464,109
Total Net Assets	3,261,130	2,814,720
Total Liabilities and Net Assets	$ 5,428,349	$ 3,440,799

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, 2022
(With Comparative Totals for 2021)

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenue and Public Support				
Government grants and contracts	$ 2,818,045	$ -	$ 2,818,045	$ 2,269,614
Contributions	712,758	439,500	1,152,258	1,603,336
In-kind donations	137,000	-	137,000	137,000
Fundraising events, net	76,038	-	76,038	84,725
Fiscal sponsorship contributions	283,480	147,299	430,779	142,385
Fiscal sponsorship fees	76,518	-	76,518	38,000
Other income	65,474	-	65,474	51,101
Net realized and unrealized (loss)	(217,304)	-	(217,304)	-
Net assets released from restrictions	464,109	(464,109)	-	-
Total Revenue and Public Support	4,416,118	122,690	4,538,808	4,326,161
Expenses				
Program services	3,265,214	-	3,265,214	2,604,311
Management and general	712,606	-	712,606	547,578
Fundraising	114,578	-	114,578	95,509
Total Expenses	4,092,398	-	4,092,398	3,247,398
Change in Net Assets	323,720	122,690	446,410	1,078,763
Net Assets, Beginning of Year	2,350,611	464,109	2,814,720	1,735,957
Net Assets, End of Year	$ 2,674,331	$ 586,799	$ 3,261,130	$ 2,814,720

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, 2022
(With Comparative Totals for 2021)

	2022				2021
	Program Services	**Management and General**	**Fund-raising**	**Total Expenses**	**Total Expenses**
Compensation and benefits	$ 1,238,329	307,924	38,785	$ 1,585,038	$ 1,171,093
Contract services	920,658	212,279	39,876	1,172,813	833,215
Occupancy	403,749	93,094	17,487	514,330	478,008
Client services	223,574	-	-	223,574	291,458
Accounting and finance services	132,139	30,468	5,723	168,330	125,042
Payroll taxes	92,621	21,356	4,012	117,989	86,632
Depreciation	56,733	13,081	2,457	72,271	73,169
Office costs	48,680	11,224	2,108	62,012	37,157
Information technology	41,225	9,506	1,786	52,517	49,445
Retirement plan cost	23,452	5,094	732	29,278	21,075
Insurance	14,912	3,438	646	18,996	15,152
Supplies	14,828	3,419	642	18,889	15,242
Conferences and meetings	17,124	-	-	17,124	1,634
Grants to domestic organizations	15,320	-	-	15,320	35,525
Travel	14,396	-	-	14,396	3,206
Equipment lease and rental	5,071	1,169	220	6,460	7,927
Other	2,403	554	104	3,061	2,418
Direct fundraising	-	-	2,500	2,500	9,720
	$ 3,265,214	$ 712,606	$ 117,078	$ 4,094,898	$ 3,257,118
Less expenses included with revenues on the statements of activities:					
Direct fundraising	-	-	(2,500)	(2,500)	(9,720)
Total expenses included in the expense section on the statements of activities	$ 3,265,214	$ 712,606	$ 114,578	$ 4,092,398	$ 3,247,398

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, 2022
(With Comparative Totals for 2021)

	2022	2021
Cash Flows from Operating Activities		
Change in net assets	$ 446,410	$ 1,078,763
Adjustments to reconcile change in net assets		
to net cash provided by operating activities:		
Amortization of operating lease right-of-use-asset	229,961	-
Depreciation	72,271	73,169
Paycheck protection program loan forgiveness	-	(190,410)
Unrealized loss (gains)	217,304	(4,347)
Changes in operating assets and liabilities:		
Grant receivables	81,886	(544,636)
Other receivables	(62,681)	(12,288)
Prepaid expenses	(771)	1,552
Accounts payable	13,590	53,446
Accrued rent	(50,000)	-
Deferred rent	(83,772)	23,246
Accrued compensation	40,326	404
Refundable advances	382,141	(54,984)
Operating lease liability	(215,487)	-
Other liabilities	(29,800)	69,805
Net Cash Provided by Operating Activities	1,041,378	493,720
Cash Flows from Investing Activities		
Purchases of investments	(1,019,760)	(1,015,409)
Proceeds from sales of investments	591,824	-
Purchases of property and equipment	(1,377)	(51,370)
Net Cash Used In Investing Activities	(429,313)	(1,066,779)
Net Increase (Decrease) in Cash	612,065	(573,059)
Cash at beginning of year	905,992	1,479,051
Cash at End of Year	$ 1,518,057	$ 905,992
Non-Cash Investing and Financing Activities		
Increase in operating lease right-of-use asset		
and operating lease liability	$ 1,392,894	$ -

See independent auditor's report and accompanying notes.

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, 2022 and 2021.

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").

2. Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Contributions and Grants (Continued)

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 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, 2022 and 2021, the Organization received refundable advances of $606,756 and $224,615 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 release 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.

Fiscal Sponsorships

The Organization has variance power over the fiscal sponsorship contributions it receives (see Note 13). The fiscal sponsorship contributions received by the Organization are recognized as net assets with donor restrictions. The expenditures incurred for fiscal sponsored projects are recognized as expenses by the Organization and the corresponding net assets are released from restriction.

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 processing 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.

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.

2. Significant Accounting Policies (Continued)

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 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 2022 and 2021, 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 2018 or state returns for years before 2017 due to expiration of the applicable statute of limitations.

Leases

At inception, the Organization determines if an agreement constitutes a lease and, if so, whether the lease is an operating or finance lease. Operating leases that exceed one year are included in operating lease right-of-use ("ROU") assets and operating lease liabilities on the statement of financial position. Finance leases that exceed one year are included in other assets and other liabilities on the statement of financial position.

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 GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2021, from which the summarized information was derived.

3. New Accounting Pronouncements

Recently Issued Accounting Guidance, Adopted

<u>ASU 2016-02 Leases (Topic 842) ("ASU 2016-02")</u>

Effective January, 1, 2022, the Organization adopted Accounting Standards Update ("ASU") 2016-02, "Leases (Topic 842)" ("ASU 2016-02"), which amends a number of aspects of lease accounting. Changes include requiring lessees to recognize almost all leases with a term greater than one year as a ROU asset and corresponding liability, measured at the present value of the lease payments. The Organization has applied ASU 2016-02 using the modified retrospective approach. The cumulative effect was not material and therefore there was no adjustment to net assets without donor restrictions. See Note 9 for detail on how the new lease standard primarily impacts expense recognition and the statement of financial position presentation.

3. New Accounting Pronouncements (Continued)

Recently Issued Accounting Guidance, Adopted (Continued)

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 No. 2020-07 (Topic 958) "Presentation and Disclosures by Not For-Profit Entities for Contributed Nonfinancial Assets", that increases transparency of contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure. ASU No. 2020-07 requires the Organization to present in-kind donations as a separate line item in the statement of activities, apart from contributions of cash and other financial assets, and to disclose information regarding each type of contributed nonfinancial asset. The Organization adopted ASU 2020-07 on a retrospective basis beginning January 1, 2022.

4. Liquidity and Availability of Financial Assets

The Organization has $3,524,064 of financial assets available within one year of December 31, 2022. 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, 2022 and 2021, comprise the following:

	2022	2021
Cash	$ 1,518,057	$ 905,992
Investments	1,624,137	1,322,257
Grants receivable	865,611	947,497
Other receivables	103,058	40,377
Net assets with donor restrictions	(586,799)	(464,109)
	$ 3,524,064	$ 2,752,014

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, 2022 and 2021, 53% and 51% of total revenue and 66% and 67% 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, 2022, and 2021 is as follows:

	2022	2021
Furniture and fixtures	$ 124,184	$ 124,184
Equipment	98,941	97,564
Leasehold improvements	224,150	224,150
Total property and equipment	447,275	445,898
Less accumulated depreciation	(325,179)	(252,908)
Property and equipment, net	$ 122,096	$ 192,990

Depreciation expense totaled $72,271 and $73,169 in 2022 and 2021, respectively.

7. Net Assets with Donor Restrictions

Net assets with donor restrictions at December 31, 2022 and 2021 consist of the following:

	2022	2021
Kaiser East – time restricted	$ 300,000	$ 300,000
California Family Justice Network (FN 13)	147,299	-
San Francisco Foundation – time restricted	75,000	-
Other	64,500	3,428
Blue Shield Amplify – program restricted	-	60,681
Lesher Foundation – time restricted	-	100,000
Total	$ 586,799	$ 464,109

During 2022 and 2021, net assets released from donor restrictions by incurring expenses satisfying the restricted purpose specified by donors or by occurrence of passage of time:

	2022	2021
Kaiser East – time restricted	$ 300,000	$ 200,000
Lesher 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	$ 464,109	$ 258,038

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, 2022 and 2021, the Organization contributed $29,278 and $21,075, respectively, which is included in retirement plan cost on the accompanying Statement of Functional Expenses.

9. Leases

Operating lease ROU assets represent the Organization's right to use an underlying asset for the lease term. Lease liabilities represent the Organization's obligation to make lease payments arising from the operating lease. Operating lease ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. Payments made for lease incentives are excluded. Since the Organization's leases do not provide an implicit rate, the Organization uses the risk-free Treasury discount rate. The risk-free rate represents expected return on a risk free investment. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Organization has a lease agreement with lease and non-lease components. Such non-lease components are accounted for separately. The Organization elected to use the effective date of January 1, 2022 as the date of initial application and elected the package of practical expedients under ASC 842 whereby an entity need not reassess (1) whether any expired or existing leases are or contain leases, (2) the lease classification for any expired or existing leases, and (3) initial direct costs for any existing leases.

9. Leases (Continued)

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 April 2031. For the year ended December 31, 2022, information pertaining to the two leases is as follows:

Operating Lease ROU Asset		
ROU asset obtained in exchange for operating lease obligation at adoption of ASU 2016-02 on January 1, 2022	$	1,392,894
Amortization of ROU asset		(229,961)
ROU asset as of December 31, 2022	$	1,162,933
Total operating lease cost included in occupancy on the statement of functional expenses	$	249,078
Weighted average remaining lease term		70 months
Discount rate (risk free rate)		1.37%
Maturities of Operating Lease Liability		
2023	$	249,914
2024		258,218
2025		266,802
2026		185,334
2027		81,180
Thereafter		281,820
Total lease payments		1,323,268
Less discount		(54,613)
Total operating lease liability	$	1,268,655

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 agreed upon additional rent payments and in-kind contribution of rent. In the years ended 2022 and 2021, the Organization paid $100,000 each year in addition to the base rent of $12, and received an in-kind contribution of $137,000 in both years. The Organization did not include this lease in their implementation of ASC 842 as it is outside the scope of ASC 842.

In July 2021, the Organization entered into 39 months operating lease for a copier that expires in September 2024. Under the terms of the lease, the monthly base rent is $482. In the years ended 2022 and 2021, the Organization paid $6,460 and 7,927 respectively, and included the payments as occupancy expense on the accompanying statement of functional expenses. The Organization did not include this lease in their implementation of ASC 842 due to it being immaterial to the financial statements.

For the year ended December 31, 2021, the Organization recognized $301,313 of lease expense included in occupancy under the legacy lease accounting standard Accounting Standard Codification Topic 840.

10. Investments

At December 31, 2022 and 2021, investments are segregated in brokerage accounts as follows:

		2022		2021
Money market funds	$	7,845	$	6,429
Equity mutual funds		561,225		438,459
Fixed income mutual funds		747,502		572,717
Certificates of deposit		307,565		304,652
Total	$	1,624,137	$	1,322,257

11. Fair Value Measurements

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

2022

	Level 1	Level 2	Level 3	Total
Assets at fair value:				
Money market funds	$ 7,845	$ -	$ -	$ 7,845
Equity mutual funds	561,226	-	-	561,226
Fixed income mutual funds	747,503	-	-	747,503
Total assets at fair value	$ 1,316,574	$ -	$ -	$ 1,316,574

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. In-Kind Contributions

The value of donated contributions included in the financial statements and the corresponding expenses are as follows:

		2022		2021
Rent	$	137,000	$	137,000

During the years ended December 31, 2022 and 2021, the Organization received in-kind rent contributions of $137,000 in both years. The fair value of donated rent was determined by using current market rates. This amount was expensed as occupancy expense on the accompanying statement of functional expenses.

13. Fiscal Sponsorships

The Organization effects change not only through the direct impact of its own programs but also by supporting member family justice centers to help raise funds and obtain grants. One of the ways that the Organization does this is by becoming a fiscal sponsor to independent projects to further their mission. The Organization is currently a fiscal sponsor for two projects, California Family Justice Network (CFJN) and Community Restorative Justice Network (CRJC). As the fiscal sponsor of these projects, the Organization receives donations and provides organization infrastructure, legal and tax-exempt status. An administrative fee is charged on all funds of these projects as they are received. The fee is 10% on all revenues except for unrestricted gifts requiring no financial reporting which are charged a fee of 3%.

The total funds received and released to fiscally sponsored organizations consist of the following:

	2022			2021	
	CFJN	**CRJC**	**Total**	**CRJC**	**Total**
Contributions	$ 237,028	$ 193,751	$ 430,779	$ 142,385	$ 142,385
Releases	(89,729)	(193,751)	(283,480)	(142,385)	(142,385)
Restricted	$ 147,299	$ -	$ 147,299	$ -	$ -

The Organization presents contributions for which restrictions are met in the same year as unrestricted.

Total expenses related to CFJN and CRJC are presented in the statement of functional expenses by natural category, the expenses were as follows:

	2022			2021	
	CFJN	**CRJC**	**Total**	**CRJC**	**Total**
Contract Services	$ 85,983	$ 80,378	$ 166,361	$ 67,510	$ 67,510
Compensation and benefits	-	99,885	99,885	73,335	73,335
Travel	1,354	5,364	6,718	528	528
Client Services	-	4,388	4,388	-	-
Conferences and meetings	2,003	2,013	4,016	295	295
Office costs	389	1,326	1,715	-	-
Supplies	-	397	397	717	717
Total	$ 89,729	$ 193,751	$ 283,480	$ 142,385	$ 142,385

For the year ended December 31, 2022, the Organization's executive director also served as board member of CFJN, a voluntary membership network of Family Justice Centers.

14. Subsequent Events

The Organization has evaluated subsequent events through September 12, 2023, 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, 2022

	Federal				Non-Federal					
	Domestic Violence Housing First Program	Innovative Response to Marginalized Victims Program	Child Abuse Treatment Program	Elder Abuse Prevention Project	Innovative Response to Marginalized Victims Program	Child Abuse Treatment Program	Family Justice Center Program	Family Justice Center Program	Family Justice Center Program	Sexual and Domestic Violence Prevention
Grant Subward Number	XD20 03 1199	KI21 04 1199	AT21 02 1199	2022-V2-GX-0031 and 15POVC-21-GG-00613-ASSI	KI21 04 1199	AT21 02 1199	FJ21 01 1199	FJ21 A1 1199	FJ21 B1 1199	SD21 01 1199
Grant Performance Period	1/1/22-12/31/2022	1/1/22-12/31/2022	1/1/22-12/31/2022	1/1/22-12/31/22	1/1/22-12/31/2022	1/1/22-12/31/2022	4/1/22-3/31/2024	4/1/22-3/31/2024	4/1/22-3/31/2024	5/1/22-4/30/2024
Revenue										
Grants	$ 421,636	$ 116,111	$ 166,304	$ 98,059	$ 64,957	$ 91,047	$ 116,658	$ 125,307	$ 127,273	$ 96,962
Total revenue	421,636	116,111	166,304	98,059	64,957	$ 91,047	116,658	125,307	127,273	96,962
Expenses										
Personnel expenses	61,125	97,863	58,757	52,196	54,748	32,168	47,250	59,123	95,260	39,619
Operating expenses	358,337	13,815	105,123	42,576	7,728	57,552	67,670	63,651	28,172	55,470
Total expenses	419,462	111,678	163,880	94,772	62,476	89,720	114,920	122,774	123,432	95,089
Excess (deficiency) of revenues over expenses[(1)]	$ 2,174	$ 4,433	$ 2,424	$ 3,287	$ 2,481	$ 1,327	$ 1,738	$ 2,533	$ 3,841	$ 1,873

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

SINGLE AUDIT REPORTS AND SCHEDULES

ERNST WINTTER & ASSOCIATES LLP *Certified Public Accountants*

675 Ygnacio Valley Road, Suite A200 *(925) 933-2626*
Walnut Creek, CA 94596 *Fax (925) 944-6333*

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, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 12, 2023.

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 2022-001 and 2022-002 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 Wintter & Associates LLP

Walnut Creek, CA
September 12, 2023

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, 2022. 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, 2022.

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 Wintter & Associates LLP

Walnut Creek, CA
September 12, 2023

Contra Costa Family Justice Alliance
(A California Nonprofit Corporation)
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

Federal Grantor/Program Titler/ Pass-Through Grantor	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Justice				
Crime Victim Assistance Program				
Passed-through State of California Governor's				
Office of Emergency Services				
Domestic Violence Housing First Program	16.575	XD20 03 1199	$ 345,379	$ 421,636
Innovative Response to Marginalized Victims Program	16.575	KI21 04 1199	-	116,111
Child Abuse Treatment Program	16.575	AT21 02 1199	153,296	166,304
Elder Abuse Prevention Project	16.575	2020-V2-GX-0031 and 15POVC-21-GG-00613-ASSI	15,350	98,059
Abuse in Later Life Program				
Passed-through Contra Costa County Employment and Human Services				
Abuse in Later Life Program	16.528	2020-EW-AX-K006	-	75,763
U.S Department of Housing and Urban Development				
Community Development Block Grant Program				
Passed-through Contra Costa County				
Family Justice Navigation Program	14.218	B-22-UC-06-002	-	45,843
Passed-through City of Concord				
Family Justice Navigation Program	14.218	B-20-MC-06-0009	-	8,090
Passed-through City of Antioch				
Family Justice Navigation Program	14.218	47-4082871	-	8,053
Passed-through City of Walnut Creek				
Family Justice Navigation Program	14.218	B22-MC-06-0030	-	2,254
U.S Department of Health and Human Services				
Title X Program				
Passed-through Essential Access Health				
Title X Family Planning Program	93.217	FPHPA006470-03-00	-	4,804
Total Expenditures of Federal Award			$ 514,025	$ 946,917

Contra Costa Family Justice Alliance
Schedule of Findings and Questioned Costs
December 31, 2022

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, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, U*niform 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:

Program Title	Federal Assistance Listing Number	Amount
Crime Victim Assistance	16.575	$ 514,025

Contra Costa Family Justice Alliance
Schedule of Findings and Questioned Costs
December 31, 2022

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:	

Name of Federal Program or Cluster	Federal Assistance Listing Number
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?	Yes

Contra Costa Family Justice Alliance
Schedule of Findings and Questioned Costs
December 31, 2022

SECTION II – SUMMARY OF FINANCIAL STATEMENT FINDINGS

<u>Finding 2022-001</u>
Significant Deficiency in Internal Controls – Net Asset Presentation

Criteria: A significant deficiency in internal control over net asset presentation of grants and contributions was found during the audit.

Condition: During the course of our audit, we found that the Organization didn't record a prior year adjustment resulting in an incorrect beginning net assets balance. In addition, management incorrectly identified amounts in net assets with donor restrictions when they were not part of net assets.

Effect: The above condition resulted in an overstatement of net assets with donor restrictions.

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.

<u>Finding 2022-002</u>
Significant Deficiency in Internal Controls – SEFA

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

Condition: The Organization included state funding amounts in two of the federal award amounts on SEFA. The SEFA schedule was revised and properly presented.

Effect: The Organization's initial SEFA was not accurate.

Cause: The finding was caused by not properly reviewing the source of funding when preparing SEFA.

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

Contra Costa Family Justice Alliance
Schedule of Findings and Questioned Costs
December 31, 2022

SECTION IV – SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding 2021-001
Significant Deficiency in Internal Controls – Revenue Recognition

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.

Status of Prior Finding: Corrected.

Finding 2022-002
Significant Deficiency in Internal Controls – SEFA

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

Status of Prior Finding: Corrected.

FAMILY JUSTICE CENTER
SAFETY | HEALING | COMMUNITY

cocofamilyjustice.org

Management's Corrective Action Plan (9/8/23)

For the Year Ended December 31, 2022

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 disagreements.

Finding 2022-001

Corrective action taken/planned:

The first issue of this finding relates to a prior year audit adjustment that was not made in the general ledger in 2021. This resulted in an understatement of Net Assets at the beginning of the 2022 fiscal year. The corrective action will be for management to ensure all appropriate year-end audit adjustments are recorded in the future. The second issue of this finding is that conditional grants (also known as refundable advances) were incorrectly included in the schedule of restricted net assets when initially distributed to our auditors. Because these conditional grants had not yet become income or expense due to conditions not having been met, they should not have been listed as restricted net assets. The corrective action will be for management to create and review a proforma quarterly net asset schedule to insure correct recharacterization at year's end. The addition of a full-time accounting manager in mid-2023 provides additional oversight and review of all end-of-year GAAP adjusting entries, with particular attention to revenue recognition of multi-year foundation awards. Finance will continue to receive a complete copy of each contract/award upon approval, for thorough review with management prior to implementation of award expenditure and tracking.

Finding 2022-002

Corrective action taken/planned:

This finding is related to the organization's schedule of federal awards provided during the 2022 audit. The initial schedule listed 2 award amounts that included state funds, within the total award amount, resulting in an inaccurate SEFA amount. The corrective action will be for management to adopt a working federal award schedule that comprises the actual federal funds associated with the award when the award is given and update when appropriate.

Anticipated completion date: 10/31/2023