

CENTER FOR THE PACIFIC-ASIAN FAMILY, INC.

FINANCIAL STATEMENTS

JUNE 30, 2022

(With summarized information for the year ended June 30, 2021)

(With Independent Auditors' Report Thereon)

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Center for the Pacific-Asian Family, Inc.
Los Angeles, California

Opinion

We have audited the accompanying financial statements of Center for the Pacific-Asian Family, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 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 Center for the Pacific-Asian Family, Inc. as of June 30, 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 Center for the Pacific-Asian Family, Inc. 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 Center for the Pacific-Asian Family, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

INDEPENDENT AUDITORS' REPORT (continued)

Auditors' 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 Center for the Pacific-Asian Family, Inc.'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 Center for the Pacific-Asian Family, Inc.'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.

INDEPENDENT AUDITORS' REPORT
(continued)

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Additionally, the accompanying schedules of grant revenues and expenditures, expenditures of federal awards, expenditures of state & local awards, and findings, questioned costs, and recommendations are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of grant revenues and expenditures, expenditures of federal awards, expenditures of state & local awards, and findings, questioned costs, and recommendations are 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 December 21, 2022, on our consideration of Center for the Pacific-Asian Family, Inc.'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 Center for the Pacific-Asian Family, Inc.'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 Center for the Pacific-Asian Family, Inc.'s internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited Center for the Pacific-Asian Family, Inc.'s 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 21, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

HRG, LLP

Pasadena, California
December 21, 2022

CENTER FOR THE PACIFIC-ASIAN FAMILY, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2022
WITH SUMMARIZED COMPARATIVE TOTALS AS OF JUNE 30, 2021

| | ASSETS | |
|--|---------------------|---------------------|
| | 2022 | 2021 |
| Current assets: | | |
| Cash and cash equivalents | | |
| Cash and cash equivalents | \$ 1,426,767 | \$ 1,998,203 |
| Board-designated operating reserve | 1,110,000 | 800,000 |
| Total cash and cash equivalents | 2,536,767 | 2,798,203 |
| Grants receivable | 1,088,918 | 816,866 |
| Other receivables | 45,918 | 23,283 |
| Investments, at fair value | 39,825 | - |
| Deposit and prepaid expenses | 55,315 | 45,662 |
| Total current assets | 3,766,743 | 3,684,014 |
| Property, building, and equipment, net | 2,733,272 | 2,861,884 |
| Total assets | <u>\$ 6,500,015</u> | <u>\$ 6,545,898</u> |
| LIABILITIES AND NET ASSETS | | |
| Current liabilities: | | |
| Accounts payable | \$ 99,459 | \$ 103,282 |
| Accrued liabilities | 337,046 | 237,959 |
| Note payable, current portion | - | 3,096 |
| Total current liabilities | 436,505 | 344,337 |
| Long term liabilities: | | |
| Note payable - SBA PPP loan | - | 592,459 |
| Total long term liabilities: | - | 592,459 |
| Total liabilities | 436,505 | 936,796 |
| Net assets: | | |
| Without donor restrictions | | |
| Invested in property, building, and equipment, net of note payable | 2,733,272 | 2,858,788 |
| Board-designated operating reserve | 1,110,000 | 800,000 |
| Undesignated operating funds | 1,699,888 | 1,647,074 |
| Total without donor restrictions | 5,543,160 | 5,305,862 |
| With donor restrictions | 520,350 | 303,240 |
| Total net assets | 6,063,510 | 5,609,102 |
| Total liabilities and net assets | <u>\$ 6,500,015</u> | <u>\$ 6,545,898</u> |

The accompanying notes are an integral part of these statements.

CENTER FOR THE PACIFIC-ASIAN FAMILY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022
WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2021

| | Without Donor Restrictions | With Donor Restrictions | 2022 | 2021 |
|---|---------------------------------------|------------------------------------|---------------------|---------------------|
| Revenues and support | | | | |
| Federal awards | \$ 2,620,595 | \$ - | \$ 2,620,595 | \$ 2,468,525 |
| State and local grants | 773,644 | - | 773,644 | 646,719 |
| Private grants | 412,500 | 724,500 | 1,137,000 | 650,000 |
| Contributions | 279,491 | - | 279,491 | 380,550 |
| In-kind contributions | 124,374 | - | 124,374 | 287,093 |
| Fundraising events | 99,580 | - | 99,580 | 37,291 |
| Other income - SBA PPP loan (Note 7) | 597,597 | - | 597,597 | 505,182 |
| Retirement of property, building, and equipment, net | (2,027) | - | (2,027) | - |
| Investment return | (9,052) | - | (9,052) | 12,161 |
| Net assets released from restriction | 507,390 | (507,390) | - | - |
| Total revenues and support | 5,404,092 | 217,110 | 5,621,202 | 4,987,521 |
| Expenses | | | | |
| Program expenses | | | | |
| Community programs | 1,843,228 | - | 1,843,228 | 1,654,608 |
| Shelter programs | 2,429,364 | - | 2,429,364 | 2,278,402 |
| Total program expenses | 4,272,592 | - | 4,272,592 | 3,933,010 |
| Support services | | | | |
| Development expenses | | | | |
| Direct benefits to donors | 1,000 | - | 1,000 | 2,461 |
| Development expenses | 155,587 | - | 155,587 | 112,653 |
| Total development expenses | 156,587 | - | 156,587 | 115,114 |
| Management and general | 737,615 | - | 737,615 | 722,696 |
| Total support expenses | 894,202 | - | 894,202 | 837,810 |
| Total expenses | 5,166,794 | - | 5,166,794 | 4,770,820 |
| Change in net assets | 237,298 | 217,110 | 454,408 | 216,701 |
| Net assets - beginning of year | 5,305,862 | 303,240 | 5,609,102 | 5,392,401 |
| Net assets - end of year | <u>\$ 5,543,160</u> | <u>\$ 520,350</u> | <u>\$ 6,063,510</u> | <u>\$ 5,609,102</u> |

The accompanying notes are an integral part of these statements.

CENTER FOR THE PACIFIC-ASIAN FAMILY, INC.
STATEMENT OF FUNCTIONAL EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2022
WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2021

| | Community Programs | Shelter Programs | Development | Management and General | 2022 | 2021 |
|--|-------------------------------|-----------------------------|--------------------|-----------------------------------|---------------------|---------------------|
| Salaries and wages | \$ 1,089,461 | \$ 1,245,732 | \$ 105,847 | \$ 467,841 | \$ 2,908,881 | \$ 2,749,284 |
| Payroll taxes | 85,697 | 98,147 | 8,057 | 36,172 | 228,073 | 214,980 |
| Employee benefits | 131,246 | 210,412 | 10,921 | 65,433 | 418,012 | 374,816 |
| In-kind volunteer services | 57,840 | - | - | - | 57,840 | 35,806 |
| Accounting and audit services | - | - | - | 28,703 | 28,703 | 31,674 |
| Payroll and retirement plan services | 6,650 | 8,199 | 532 | 2,555 | 17,936 | 20,357 |
| Consultants | 14,247 | 14,185 | 2,600 | 35,080 | 66,112 | 37,845 |
| Program related subcontracts | 3,128 | 24,513 | - | - | 27,641 | 39,706 |
| Outreach and promotion | 1,804 | - | 126 | - | 1,930 | 2,369 |
| Office expenses | 8,282 | 13,562 | 134 | 8,092 | 30,070 | 18,151 |
| Communications and technology | 52,977 | 57,727 | 13,923 | 33,556 | 158,183 | 126,336 |
| Occupancy | 67,191 | 152,725 | 5,781 | 33,151 | 258,848 | 250,036 |
| Travel | 2,547 | 8,755 | 258 | 180 | 11,740 | 8,374 |
| Meetings, conferences, and trainings | 4,482 | 2,241 | 2,433 | 3,573 | 12,729 | 10,517 |
| Shelter supplies and food | - | 50,875 | - | - | 50,875 | 60,121 |
| Program activities | 20,987 | 9,952 | - | - | 30,939 | 32,223 |
| Client assistance | 270,519 | 282,891 | - | - | 553,410 | 276,943 |
| In-kind publicity and advertising | - | - | - | - | - | 72,900 |
| In-kind legal aid services for clients | 3,956 | 53,406 | - | - | 57,362 | 146,250 |
| Donated supplies and materials | - | 6,076 | - | - | 6,076 | 25,933 |
| Interest | - | - | - | 5,139 | 5,139 | 4,394 |
| Depreciation | - | 167,045 | - | 739 | 167,784 | 166,804 |
| Insurance | 16,864 | 20,180 | 1,293 | 14,151 | 52,488 | 48,888 |
| Taxes, licenses, and fees | 5,334 | 2,741 | 3,682 | 2,935 | 14,692 | 10,847 |
| Fundraising expenses | - | - | 1,000 | - | 1,000 | 2,461 |
| Other | 16 | - | - | 315 | 331 | 2,805 |
| Total 2022 functional expenses | \$ 1,843,228 | \$ 2,429,364 | \$ 156,587 | \$ 737,615 | \$ 5,166,794 | |
| % of total functional expenses | 36% | 47% | 3% | 14% | 100% | |
| Total 2021 functional expenses | \$ 1,654,608 | \$ 2,278,402 | \$ 115,114 | \$ 722,696 | | \$ 4,770,820 |
| % of total functional expenses | 35% | 48% | 2% | 15% | | 100% |

The accompanying notes are an integral part of these statements.

CENTER FOR THE PACIFIC-ASIAN FAMILY, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022
WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2021

| | <u>2022</u> | <u>2021</u> |
|--|----------------------------|----------------------------|
| Cash flows provided by operating activities | | |
| Change in net assets | \$ 454,408 | \$ 216,701 |
| Adjustments to reconcile change in net assets to net cash flows (used for) provided by operating activities | | |
| Service payback revenue | (3,096) | (6,204) |
| Interest accrued and included in note payable - SBA PPP loan | 5,139 | 4,394 |
| Donated investments | (55,220) | - |
| Other income - SBA PPP loan | (597,598) | (505,182) |
| Retirement of property, building, and equipment, net | 2,027 | - |
| Depreciation | 167,784 | 166,804 |
| Net realized and unrealized loss on investments | 15,395 | - |
| Changes in: | | |
| Grants receivable | (272,052) | (42,589) |
| Other receivables | (22,635) | (8,610) |
| Deposit and prepaid expenses | (9,653) | 2,995 |
| Accounts payable | (3,823) | (15,791) |
| Accrued liabilities | 99,087 | (41,446) |
| Net cash flows used for operating activities | <u>(220,237)</u> | <u>(228,928)</u> |
| Cash flows used for investing activities | | |
| Purchase of property, building, and equipment | <u>(41,199)</u> | <u>(87,888)</u> |
| Net cash flows used for investing activities | <u>(41,199)</u> | <u>(87,888)</u> |
| Cash flows provided by financing activities | | |
| Proceeds from note payable - SBA PPP loan | <u>-</u> | <u>591,308</u> |
| Net cash flows provided by financing activities | <u>-</u> | <u>591,308</u> |
| Net change in cash and cash equivalents | (261,436) | 274,492 |
| Cash and cash equivalents, beginning of year | <u>2,798,203</u> | <u>2,523,711</u> |
| Cash and cash equivalents, end of year | <u><u>\$ 2,536,767</u></u> | <u><u>\$ 2,798,203</u></u> |

The accompanying notes are an integral part of these statements.

CENTER FOR THE PACIFIC-ASIAN FAMILY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

1. NATURE OF OPERATIONS

Organization

Established in 1978, Center for the Pacific-Asian Family, Inc. (CPAF) (the Organization) is a non-profit organization recognized nationally for its pioneering work to serve survivors of domestic violence and sexual assault in the Los Angeles Asian and Pacific Islander (API) community. CPAF created the first multi-lingual 24-hour hotline for API survivors of domestic violence and sexual assault in the nation, and in 1981, opened the first multi-lingual and multi-cultural Emergency Shelter in the nation to specialize in serving API survivors of domestic violence. CPAF expanded its programs to include a multi-lingual and multi-cultural Transitional Shelter to support survivors who wanted to establish independent, violence-free lives. CPAF's walk-in Community Center was established in 2010 and expanded CPAF's advocacy, counseling, and referral services for non-shelter clients. CPAF's Community Center serves as a base for CPAF's community engagement programs, which are rooted in principles of non-violence and include education, training, and violence prevention programs with youth and adults.

CPAF's programs are sensitive to the cultural perspective of API communities and address the complex underlying causes of family violence and violence against women. All CPAF services are free and provided in up to 30 API languages. While CPAF's multi-lingual and multi-cultural services fulfill a critical need for the API community, CPAF also frequently works with clients and survivors from other racial and ethnic communities.

Community Programs

- **24-hour Helpline:** CPAF operates the only 24-hour Asian and Pacific Islander (API)-language crisis hotline for survivors of domestic and sexual violence in Southern California, and the only rape crisis center statewide tailored for API survivors. Callers receive immediate crisis intervention services, including safety planning, counseling, and referrals to medical, legal, and other services.
- **Community Services:** CPAF provides walk-in services for survivors seeking counseling, case management, legal aid, information, and referrals. CPAF also provides culturally relevant programs to nurture healing in ways that are accessible both geographically and culturally to the communities we serve.
- **Prevention & Community Education:** CPAF's culturally-responsive prevention program partners with schools and youth-serving organizations in the API community to engage and mobilize youth to prevent intimate partner violence and sexual violence amongst friends and family. CPAF engages youth aged 14-18 in a year-long school-based program to learn the concept of healthy relationships, consent, and boundaries.
- **Outreach and Community Capacity Building:** CPAF provides cultural competency workshops to frontline workers (law enforcement, healthcare providers, shelter and rape crisis center staff, etc.) who assist survivors of domestic violence and sexual assault. Domestic violence and sexual assault trainings are provided to service providers, faith leaders, and community leaders who assist API families.

CENTER FOR THE PACIFIC-ASIAN FAMILY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(continued)

1. NATURE OF OPERATIONS (continued)

Shelter Programs

- Emergency Shelter: CPAF operates the only emergency shelter in Southern California that specializes in addressing the needs of domestic violence survivors in the API community. Survivors of domestic or sexual violence and their children stay in CPAF's safe and confidential shelter facility for up to six months while they move from crisis to safety and healing. During their stay, families are provided with basic needs (food, clothing, toiletries, etc.) and comprehensive case management, including crisis intervention counseling, financial literacy education and assistance with locating permanent or transitional housing.
- Transitional housing program: Survivors and children who want to establish their own non-violent households often need a longer transition period than an emergency shelter can provide. CPAF operates two transitional shelters in Los Angeles County, providing safe and confidential housing for up to 12 months. Survivors receive counseling, case management, parenting classes, life-skills classes, as well as linkages to permanent affordable housing options and job opportunities. Children are provided with counseling, academic and emotional support, and recreational activities aimed at enhancing protective factors and reducing risk factors.

COVID-19 Pandemic

As an organization providing shelter and services to survivors of domestic and sexual violence, CPAF was designated an essential organization and continued to operate during the COVID-19 pandemic. Domestic violence during the pandemic has been a crisis within a crisis, when being at home is anything but safe for those who are experiencing abuse. Due to sheltering at home, survivors are more closely watched and have fewer opportunities to call and flee. On the crisis hotline, calls are longer with more intensive experiences of trauma, and need is more urgent.

Prevention and outreach programs switched to virtual spaces, including CPAF's 65-hour advocate training and CPAF's healthy relationship youth programs, which offer a way that socially isolated youth may connect with each other and adult allies. Participation in some virtual programs has increased, with geographic distance no longer a limiting factor.

As we begin to emerge from the health crisis, there have been growing opportunities for renewed in-person interactions with community members, especially as part of CPAF's prevention and community education program.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of CPAF is presented to assist in understanding CPAF's financial statements. The financial statements and notes are representations of CPAF's management, who are responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Basis of Presentation

The financial statement presentation is in accordance with Financial Accounting Standard Boards Accounting Codification Standards (FASB ASC) 958, Not-for-Profit Entities, as amended by Accounting Standards Update (ASU) 2016-14. Under FASB ASC 958, as amended, CPAF is required to report information regarding its financial position and activities according to two classes of net assets: those without donor restrictions and those with donor restrictions.

CENTER FOR THE PACIFIC-ASIAN FAMILY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (continued)

Net assets without donor restrictions are those net assets that are not subject to donor imposed restrictions. The net assets of the Board-Designated Operating Reserve (Note 3) are also included within net assets without donor restrictions.

Net assets with donor restrictions are subject to donor stipulations that limit the use of their contributions. Donor restrictions may result in temporarily restricted net assets, where the use of contributions is limited by donor-imposed stipulations that either expire by the passage of time or when used for specific purposes. Donor restrictions may also result in permanently restricted net assets, where the donor stipulations neither expire by the passage of time nor can be fulfilled or otherwise removed by CPAF's actions.

As of June 30, 2022, CPAF does not have any permanently restricted net assets.

Revenue Recognition

Upon receipt of revenue and support, CPAF evaluates whether a transfer of assets is (1) a contribution or (2) an exchange transaction in which a resource provider is receiving commensurate value in return for the resources transferred. If the transfer of assets is determined to be a contribution, CPAF evaluates whether the contribution is conditional based on whether the agreement includes both (1) one or more barriers that must be overcome before CPAF 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.

Federal awards and state and local grants under cost-reimbursable grants are recognized as revenue in the applicable period in which the related services are performed, or expenditures are incurred, respectively. Private grants and other contributions are recognized when cash or an unconditional promise to give is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the condition.

Private grants and contributions are recognized and reported as increases to net assets without donor restrictions in the Statement of Activities in the fiscal year in which the donor makes the unconditional promise to give. Private grants and contributions that are restricted by the donor as to their specific purpose or time period for use are recognized and reported as increases to net assets with donor restrictions in the Statement of Activities in the fiscal year in which the donor makes a promise to give. When a donor restriction expires or is satisfied, the related assets are reclassified from net assets with donor restrictions to net assets without donor restrictions on the Statement of Activities.

CPAF performed an analysis of all applicable revenue streams, per the authoritative guidance, using FASB ASU 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605)* to distinguish contributions (nonreciprocal transactions) within the scope of FASB ASC 958, from exchange (reciprocal transactions) subject to FASB ASC 606. Accordingly, CPAF determined none of the revenue and support recognized during the year ended June 30, 2022 were exchange transactions subject to FASB ASC 606.

Grants Receivable and Allowance for Doubtful Accounts

CPAF provides various services on behalf of governments and other not-for-profit organizations. CPAF considers amounts receivable from grantors, including governments and other not-for-profit organizations, to be fully collectible; accordingly, no allowance for doubtful accounts has been established.

CENTER FOR THE PACIFIC-ASIAN FAMILY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Uninsured Cash Balances

CPAF maintains cash and cash equivalents balances at various financial institutions insured by the Federal Deposit Insurance Corporation (FDIC) that are periodically in excess of federally insured limits. At June 30, 2022, the FDIC insures cash and cash equivalent balances up to \$250,000 per institution. CPAF had \$1,534,469 in excess of the FDIC insured limit at June 30, 2022, however, management does not believe the Company is exposed to any significant related credit risk.

Investments

Investments are reported at fair value. Investment return includes interest and dividend, which is recorded when earned, on the ex-dividend date; realized gains and losses, which are recorded based on the trade date; and unrealized gain and losses, which are recorded based on the appreciation or depreciation of the investments at year-end compared to the prior year-end. External and direct internal investment related expenses are netted against investment returns. Investment return is recorded in the statements of activities as increases or decreases in net assets without donor restrictions unless their use is restricted by donor stipulations or by law.

Property, Building, and Equipment

Property, building, and equipment are stated at cost, or at fair value if donated, net of accumulated depreciation. Buildings and improvements are depreciated on a straight-line basis over their estimated useful lives of 30 years. Furniture, fixture, and equipment are depreciated on a straight-line basis over 5 to 7 years. Maintenance and repairs that do not increase the estimated useful life of an asset are expensed as incurred.

Deferred Rent

Office leases are accounted for as operating leases. Minimum annual rentals are recognized on straight-line basis over the lease term regardless of when payments are made. Deferred rent represents the amount that straight-line rent expenses exceeds rents currently due under the lease agreement.

Deferred rent of \$7,213 is included in accrued liabilities as of June 30, 2022.

Income Taxes

CPAF follows the provisions of FASB ASC *Accounting for Uncertainty in Income Taxes*, which prescribes a minimum recognition threshold and measurement methodology for tax positions taken, or expected to be taken, in a tax return prior to recognition in the financial statements. The standard also provides guidance for derecognition, classification, interest and penalties, and accounting in interim periods and disclosure. Tax benefits are recorded only for tax positions that are more-likely-than not to be sustained upon examination by tax authorities. Management does not believe there were any uncertain tax positions as of June 30, 2022.

CPAF is exempt from federal income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code, and California Revenue and Taxation Code Section 23701d. Accordingly, a provision for income taxes is not included in the financial statements. CPAF believes that it has appropriate support for the positions taken on its tax returns and the exempt status would be sustained on examination.

CPAF classifies interest and penalties on underpayments of income tax (unrelated business income tax), if applicable, as interest expense and penalties, respectively, both of which would be included in general and administrative expenses. CPAF did not incur any penalties and interest in the current year.

CPAF files informational returns in the United States federal and California state jurisdictions.

CENTER FOR THE PACIFIC-ASIAN FAMILY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accrued Vacation

Accumulated unpaid employee vacation benefits are recognized as liabilities of CPAF.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Fair Value of Financial Instruments

CPAF has financial instruments whereby the fair value of the financial instruments could be different than recorded on a historical basis on the accompanying statement of financial position. CPAF's financial instruments consist of cash and cash equivalents, grants receivable, other receivables, investments, accounts payable, and accrued liabilities, which approximates their fair value because of the short-term maturity of these instruments. The carrying amounts of CPAF's financial instruments generally approximate their fair values as of June 30, 2022.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Estimates are primarily used for depreciation and amortization and allowance for doubtful accounts. Actual results could differ from those estimates.

Recent Accounting Pronouncements

In February 2016, the FASB issued updated guidance on leases. The new standard requires all lessees to recognize a lease liability and a right-of-use asset, measured at the present value of the future minimum lease payments, at the lease commencement date. Lessor accounting remains largely unchanged under the new guidance. A modified retrospective approach should be applied for leases existing at the beginning of the earliest comparative period presented in the financial statements. The guidance is effective for annual and interim periods beginning after December 15, 2021, and early adoption is permitted. CPAF does not plan on the early adoption of this guidance. As of June 30, 2022, CPAF has \$146,743 of future minimum operating lease commitments that are not currently recognized on the Statement of Financial Position (Note 12), and would be recognized after the guidance is effective. Accordingly, CPAF anticipates material changes to the Statement of Financial Position.

Accounting Pronouncements Adopted

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The standard requires nonprofits to expand their financial statement presentation and disclosure of contributed nonfinancial assets, including in-kind contributions. The standard includes disclosure of information on an entity's policies on contributed nonfinancial assets about monetization and utilization during the reporting period, information on donor-imposed restrictions, and valuation techniques. This guidance is effective for annual reporting periods and interim periods within those annual periods beginning after June 15, 2021. CPAF adopted this guidance in fiscal year 2022 using the retrospective transition method. The adoption of this standard did not have a material impact on the financial statements.

CENTER FOR THE PACIFIC-ASIAN FAMILY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(continued)

3. LIQUIDITY AND AVAILABILITY

Board-Designated Operating Reserves are a portion of the accumulation of unrestricted surpluses that are available for use at the discretion of CPAF's Board. The presence of a board-designated operating reserve increases CPAF's ability to absorb or respond to temporary changes in its environment or circumstances, for example, significant delayed payments or cutbacks in funding from government agencies or foundations in volatile economic times.

CPAF maintains an Operating Reserve Policy that requires the Board to set aside a portion of net assets without donor restrictions at the end of each fiscal year to fund a Board-Designated Operating Reserve. The Board has established a target of \$1,110,000 (2-3 months of operating costs) of net assets without donor restrictions as an operating reserve in accordance with the policy.

Available net assets as of June 30, 2022 are:

| | |
|--|---------------------|
| Total net assets | \$ 6,063,510 |
| Less: invested in property, building, and equipment, net of note payable | <u>(2,733,272)</u> |
| Available net assets | 3,330,238 |
| Less: Board-Designated Operating Reserve | (1,110,000) |
| Less: Net assets with donor restrictions | <u>(520,350)</u> |
| Undesignated operating funds | <u>\$ 1,699,888</u> |

4. FAIR VALUE MEASUREMENTS

FASB ASC *Fair Value Measurements* establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of fair value hierarchy under this framework are described as below:

- Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that CPAF has the ability to access.
- Level 2 - Inputs to the valuation methodology are observable other than level 1 prices, such as quoted prices for similar assets and liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 - Inputs to the valuation measurement are unobservable, supported by the little or no market data, and are significant to the fair value of the assets and liabilities.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of June 30, 2022.

- *Mutual funds*: Valued at the net asset value (NAV) of shares held by CPAF at the end of the fiscal year.

CENTER FOR THE PACIFIC-ASIAN FAMILY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(continued)

4. FAIR VALUE MEASUREMENTS (continued)

Fair values of assets measured on a recurring basis as of June 30, 2022 are as follows:

| | <u>Level I</u> | <u>Level II</u> | <u>Fair Value</u> |
|--------------|----------------|------------------|-------------------|
| Mutual funds | \$ - | \$ 39,825 | \$ 39,825 |
| | <u>\$ -</u> | <u>\$ 39,825</u> | <u>\$ 39,825</u> |

CPAF has no liabilities and nonrecurring assets measured at fair value as of June 30, 2022.

5. INVESTMENTS

Mutual funds consist of growth and global research funds. Investments as of June 30, 2022, are summarized as follows:

| | |
|--------------|------------------|
| Mutual funds | <u>\$ 39,825</u> |
|--------------|------------------|

Donated investments are recorded as contributions and grants at their estimated fair values on the date of receipt. It is CPAF's policy to sell donated investments, with any difference between the proceeds received in the sale and the fair value on the date of receipt recorded as a realized gain or loss in the statements of activities.

Investment return consists of the following as of June 30, 2022:

| | |
|---|-------------------|
| Interest and dividend income | \$ 6,343 |
| Net realized and unrealized loss on investments | <u>(15,395)</u> |
| | <u>\$ (9,052)</u> |

Subsequent to year-end, CPAF fully liquidated the investments held as of June 30, 2022 (Note 15).

6. PROPERTY, BUILDING, AND EQUIPMENT, NET

Property, building, and equipment consists of the following as of June 30, 2022:

| | |
|--|---------------------|
| Land | \$ 1,407,254 |
| Building | 660,100 |
| Building improvements | 2,685,407 |
| Equipment, furniture, and fixtures | 86,238 |
| Vehicles | <u>123,584</u> |
| | 4,962,583 |
| Less: accumulated depreciation | <u>(2,229,311)</u> |
| Property, building, and equipment, net | <u>\$ 2,733,272</u> |

CENTER FOR THE PACIFIC-ASIAN FAMILY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(continued)

7. NOTE PAYABLE – SBA PPP LOAN

In March 2021, CPAF received loan proceeds in the amount of \$591,308 under the Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act) provides loans to qualifying businesses (including nonprofits) for amounts up to 2.5 times the average monthly payroll expenses of the qualifying business. The PPP loan bears interest at the rate of 1.00% per annum and is payable in monthly principal and interest payments of an amount yet to be determined. The PPP loan matures in March 2026. Under the terms of the PPP, the PPP loan may be forgiven in whole or in part if it is used for qualifying expenses including payroll, benefits, rent and utilities, and CPAF maintains employee and payroll levels. CPAF intends to use the proceeds for purposes consistent with the PPP. In April 2022, CPAF received formal approval of forgiveness of the PPP loan by the Small Business Administration. As a result, CPAF has recognized \$597,597 of other income for the year ended June 30, 2022 for the forgiveness of these funds.

8. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes as of June 30, 2022:

| | |
|--|--------------------------|
| Subject to purpose restrictions: | |
| COVID-19 pandemic response and support to survivors | \$ 2,360 |
| Shelter programs, economic empowerment for survivors | 23,570 |
| Shelter beautification | 10,000 |
| Capacity building, technology | 98,965 |
| Capacity building, leadership | 1,500 |
| Prevention programs | 33,955 |
| Prevention programs and time restriction | <u>50,000</u> |
| Total subject to purpose restrictions | <u>220,350</u> |
| Subject to time restrictions: | |
| General support not received at June 30, 2022 | <u>300,000</u> |
| Total subject to time restrictions | <u>300,000</u> |
| Total net assets with donor restrictions | <u><u>\$ 520,350</u></u> |

9. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets released from donor restrictions were as follows during the year ended June 30, 2022:

| | |
|--|--------------------------|
| COVID-19 pandemic response and support to survivors | \$ 71,230 |
| Shelter programs, economic empowerment for survivors | 113,430 |
| Capacity building, technology | 100,685 |
| Capacity building, prevention | 83,000 |
| Capacity building, prevention and time restriction | 58,000 |
| Capacity building, leadership | 23,500 |
| Prevention programs | <u>57,545</u> |
| | <u><u>\$ 507,390</u></u> |

CENTER FOR THE PACIFIC-ASIAN FAMILY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(continued)

10. IN-KIND CONTRIBUTIONS

CPAF's policy related to in-kind contributions is to utilize the assets given to carry out the mission of CPAF. If an asset is provided that does not allow CPAF to utilize it in its normal course of business, the asset will be sold at its fair value as determined by appraisal or specialist depending on the type of asset.

CPAF's financial statements include the following in-kind contributions revenue and support, and associated expense:

Pro-bono Legal Services

CPAF receives pro-bono services from legal aid partners to assist survivors with obtaining restraining and protective orders, providing legal assistance on immigration, family law, housing, employment and other legal matters. These services would typically be purchased if not provided as an in-kind contribution. These services, which require specialized skills, are recognized as in-kind revenue at fair value and corresponding expense when the services are rendered. The estimated fair value of these pro-bono legal services is provided by the service provider, who estimates the fair value based on the date, time, and market in which each service is rendered.

In-Kind Volunteer Services

CPAF receives services from a variety of in-kind volunteers assisting CPAF in the operation of its programs and fundraising activities. In-kind volunteer services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by CPAF. In-kind volunteer services that meet the criteria include providing language interpretation and translation, hotline counseling and direct services to survivors of domestic violence and sexual assault. These services are recognized as in-kind revenue at fair value and corresponding expense when the services are rendered. The estimated fair value of these in-kind volunteer services are based on the date, time, and market in which these services are rendered.

Other

Other in-kind contributions consist of donated supplies and materials and service payback revenue. Donated supplies and materials include clothing, personal care items, cleaning supplies, and other daily basic needs for shelter clients and donated gift cards. Service payback revenue are services provided to the City of Los Angeles for transitional shelter housing, case management and supportive services to survivors of domestic violence. These supplies, materials, and services are recognized as in-kind revenue at fair value and corresponding expense when the supplies and materials are received. The estimated fair value of donated supplies and materials is based on invoices/receipts of new products, gift cards at cash value, and service payback based on loan terms to repay the principal at a set annual rate.

During the year ended June 30, 2022, CPAF received the following in-kind contributions:

| | | |
|-----------------------------|----|----------------|
| Pro-bono legal services | \$ | 57,362 |
| In-kind volunteer services | | 57,840 |
| Other | | <u>9,172</u> |
| Total in-kind contributions | \$ | <u>124,374</u> |

CENTER FOR THE PACIFIC-ASIAN FAMILY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(continued)

11. RETIREMENT PLAN

CPAF has a 401(k) plan covering employees who have completed 1 year or 1,000 hours of service and who are at least 21 years of age. CPAF matches 1 to 1 on the first 1% of employee's wages, and 50% match for the next 2% - 6%, for a total maximum match of 3.5% of employee wages for the year ended June 30, 2022.

CPAF made matching contributions for the year ended June 30, 2022 of \$66,407.

12. COMMITMENTS

CPAF leases office space through an operating lease expiring November 30, 2023.

The future minimum annual rental commitment under this lease is as follows:

| <u>For the year ending June 30,</u> | |
|-------------------------------------|-------------------|
| 2023 | \$ 103,583 |
| 2024 | <u>43,160</u> |
| | <u>\$ 146,743</u> |

CPAF also leases space under operating leases on a month-to-month basis.

13. RELATED PARTY TRANSACTIONS

For the year ended June 30, 2022, CPAF received \$27,439 in contributions from board members, officers, and key employees.

14. RISKS AND UNCERTAINTIES

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak and any related adverse public health developments may adversely affect workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for CPAF to predict the duration or magnitude of the adverse results of the outbreak and its effects on CPAF's business or results of operations at this time.

15. SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 21, 2022, which is the date the financial statements were available to be issued, and no significant events were noted other than listed below.

In July 2022, CPAF fully liquidated the investments held as of June 30, 2022 (Note 5).

SUPPLEMENTARY INFORMATION

CENTER FOR THE PACIFIC-ASIAN FAMILY, INC.

**SCHEDULE OF GRANT REVENUES & EXPENDITURES
CALIFORNIA OFFICE OF EMERGENCY SERVICES
FOR THE YEAR ENDED JUNE 30, 2022**

| | | | | | |
|--------------------|------------|------------------------|-------------------|----------------------|----------------|
| Grant No. | DV20351001 | | | | |
| Revenues | \$477,644 | | | | |
| Expenditures: | | <u>7/1/21-6/30/22</u> | <u>Cash Match</u> | <u>In-Kind Match</u> | <u>Total</u> |
| Personal services | | 311,702 | - | - | 311,702 |
| Operating expenses | | 165,942 | - | - | 165,942 |
| Equipment | | - | - | - | - |
| | | <u>477,644</u> | <u>-</u> | <u>-</u> | <u>477,644</u> |
| Grant No. | RC20401001 | | | | |
| Revenues | \$95,599 | | | | |
| Expenditures: | | <u>7/1/21-9/30/21</u> | <u>Cash Match</u> | <u>In-Kind Match</u> | <u>Total</u> |
| Personal services | | 78,580 | - | - | 78,580 |
| Operating expenses | | 17,019 | - | - | 17,019 |
| Equipment | | - | - | - | - |
| | | <u>95,599</u> | <u>-</u> | <u>-</u> | <u>95,599</u> |
| Grant No. | RC21411001 | | | | |
| Revenues | \$186,273 | | | | |
| Expenditures: | | <u>10/1/21-6/30/22</u> | <u>Cash Match</u> | <u>In-Kind Match</u> | <u>Total</u> |
| Personal services | | 150,693 | - | - | 150,693 |
| Operating expenses | | 35,580 | - | - | 35,580 |
| Equipment | | - | - | - | - |
| | | <u>186,273</u> | <u>-</u> | <u>-</u> | <u>186,273</u> |
| Grant No. | UV20051001 | | | | |
| Revenues | \$119,249 | | | | |
| Expenditures: | | <u>7/1/21-12/31/21</u> | <u>Cash Match</u> | <u>In-Kind Match</u> | <u>Total</u> |
| Personal services | | 83,673 | - | - | 83,673 |
| Operating expenses | | 35,576 | - | - | 35,576 |
| Equipment | | - | - | - | - |
| | | <u>119,249</u> | <u>-</u> | <u>-</u> | <u>119,249</u> |
| Grant No. | UV21061001 | | | | |
| Revenues | \$114,196 | | | | |
| Expenditures: | | <u>1/1/22-6/30/22</u> | <u>Cash Match</u> | <u>In-Kind Match</u> | <u>Total</u> |
| Personal services | | 78,289 | - | - | 78,289 |
| Operating expenses | | 35,907 | - | - | 35,907 |
| Equipment | | - | - | - | - |
| | | <u>114,196</u> | <u>-</u> | <u>-</u> | <u>114,196</u> |
| Grant No. | XH20031001 | | | | |
| Revenues | \$88,154 | | | | |
| Expenditures: | | <u>7/1/21-12/31/21</u> | <u>Cash Match</u> | <u>In-Kind Match</u> | <u>Total</u> |
| Personal services | | 64,470 | - | - | 64,470 |
| Operating expenses | | 23,684 | - | - | 23,684 |
| Equipment | | - | - | - | - |
| | | <u>88,154</u> | <u>-</u> | <u>-</u> | <u>88,154</u> |
| Grant No. | XH21041001 | | | | |
| Revenues | \$45,566 | | | | |
| Expenditures: | | <u>1/1/22-6/30/22</u> | <u>Cash Match</u> | <u>In-Kind Match</u> | <u>Total</u> |
| Personal services | | 22,636 | - | - | 22,636 |
| Operating expenses | | 22,930 | - | - | 22,930 |
| Equipment | | - | - | - | - |
| | | <u>45,566</u> | <u>-</u> | <u>-</u> | <u>45,566</u> |
| Grant No. | XY21011001 | | | | |
| Revenues | \$22,567 | | | | |
| Expenditures: | | <u>1/1/22-6/30/22</u> | <u>Cash Match</u> | <u>In-Kind Match</u> | <u>Total</u> |
| Personal services | | 17,504 | - | - | 17,504 |
| Operating expenses | | 5,063 | - | - | 5,063 |
| Equipment | | - | - | - | - |
| | | <u>22,567</u> | <u>-</u> | <u>-</u> | <u>22,567</u> |
| Grant No. | SD21011001 | | | | |
| Revenues | \$19,011 | | | | |
| Expenditures: | | <u>1/1/22-6/30/22</u> | <u>Cash Match</u> | <u>In-Kind Match</u> | <u>Total</u> |
| Personal services | | 15,206 | - | - | 15,206 |
| Operating expenses | | 3,805 | - | - | 3,805 |
| Equipment | | - | - | - | - |
| | | <u>19,011</u> | <u>-</u> | <u>-</u> | <u>19,011</u> |

See Independent Auditors' Report

**REPORT IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors of
Center for the Pacific-Asian Family, Inc.
Los Angeles, California

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 Center for the Pacific-Asian Family, Inc. (the Organization) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities and net assets, 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 December 21, 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.

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*.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(continued)

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.

HKG, LLP

Pasadena, California
December 21, 2022

**REPORT IN ACCORDANCE WITH TITLE 2 U.S. CODE OF
FEDERAL REGULATION PART 200, UNIFORM
ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES,
AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS**



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of
Center for the Pacific-Asian Family, Inc.
Los Angeles, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Center for the Pacific-Asian Family, Inc. (Organization) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2022. The Organization's major federal programs are identified in the summary of auditors' 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 June 30, 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 Auditors' 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.

Auditors' 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.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE
(continued)**

Auditors' Responsibilities for the Audit of Compliance (continued)

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 Auditors' 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.

HKG, LLP

Pasadena, California
December 21, 2022

CENTER FOR THE PACIFIC-ASIAN FAMILY, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022
(continued)

| CFDA Grantor / Pass-Through Grantor / Program | CFDA Number | Award Number | Subrecipient Expenditures | Total Federal |
|--|------------------------|-------------------------|--------------------------------------|--------------------------|
| United States (US) Department of Housing & Urban Development | | | | |
| Community Investment for Families Department | | | | |
| Pass Through: | | | | |
| City of Los Angeles Community Investment for Families Department | | | | |
| Community Development Block Grant/Entitlement Grants | 14.218 | C-136706 | - | \$ 309,924 |
| [COVID Relief] Community Development Block Grant - Coronavirus Aid Relief & Economic Security | 14.218 | C-138923 | - | 277,981 |
| Total - Community Investment for Families Department | | | - | 587,905 |
| Pass Through: | | | | |
| Los Angeles Homeless Services Authority | | | | |
| Continuum of Care Program | 14.267 | CA0341L9D001912 | - | 26,648 |
| Continuum of Care Program | 14.267 | CA0341L9D002013 | - | 241,776 |
| Total - Los Angeles Homeless Services Authority | | | - | 268,424 |
| Pass Through: | | | | |
| People Assisting the Homeless | | | | |
| Los Angeles Homeless Services Authority | | | | |
| Continuum of Care Program | 14.267 | 160-2-CE-RCDV-019-CPAF | - | 16,590 |
| Continuum of Care Program | 14.267 | 160-2-CE-RCDV-019-CPAF | - | 34,687 |
| Total - People Assisting the Homeless | | | - | 51,277 |
| Total US Department of Housing & Urban Development | | | - | 907,606 |
| US Department of Health & Human Services | | | | |
| Pass Through: | | | | |
| Los Angeles County Department of Children & Family Services | | - - | | |
| Special Services for Groups | | | | |
| Prevention & Aftercare Services | 93.556 | 21 03 04 | - | 24,773 |
| Total - Los Angeles County Department of Children & Family Services | | | - | 24,773 |
| Pass Through: | | | | |
| City of Los Angeles Community Investment for Families Department | | | | |
| [COVID Relief] Community Services Block Grant - Coronavirus Aid Relief & Economic Security | 93.569 | C137324 | - | 294,530 |
| Pass Through: | | | | |
| Centers for Disease Control and Prevention | | | | |
| California Department of Public Health | | | | |
| Epidemiology and Prevention for Injury Control (EPIC) Branch | | | | |
| Rape Prevention and Education Program | 93.136 | 18-10714 | - | 67,153 |
| Preventive Health and Health Services Block Grant, Rape Set Aside Funding | | | | |
| Rape Set Aside Funding | 93.991 | 18-10714 | - | 33,732 |
| Total - Centers for Disease Control and Prevention | | | - | 100,885 |
| Total US Department of Health & Human Services | | | - | 420,188 |

See Independent Auditors' Report

CENTER FOR THE PACIFIC-ASIAN FAMILY, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022
(continued)

| CFDA Grantor / Pass-Through Grantor / Program | CFDA Number | Award Number | Subrecipient Expenditures | Total Federal |
|---|------------------------|-------------------------|--------------------------------------|--------------------------|
| US Department of Justice - Office on Violence Against Women | | | | |
| Transitional Housing Assistance for Victims of Domestic Violence Dating Violence, Stalking, or Sexual Assault | 16.736 | 2015-WH-AX-0010 | \$ 24,367 | 193,630 |
| Sexual Assault Services Culturally Specific Program | 16.023 | 2016-KS-AX-0003 | - | 70,137 |
| Culturally and Linguistically Specific Services Program | 16.016 | 2020-UW-AX-0009 | - | 135,189 |
| Grants to Prevent and Respond to Domestic Violence, Dating Violence, Sexual Assault, and Stalking Against Children and Youth Program | 16.888 | 15JOVW-21-GG-00636-CY | 3,128 | 16,028 |
| Pass Through: Legal Aid Foundation of Los Angeles Legal Assistance for Victims | 16.524 | 2019-WL-AX-0003 | - | 15,392 |
| Korean American Family Services FY 2019 Transitional Housing Assistance for Victims of Domestic Violence, Dating Violence, Stalking, or Sexual Assault | 16.736 | | - | 2,271 |
| Total US Department of Justice - Office on Violence Against Women | | | 27,495 | 432,647 |
| US Department of Justice - Office on Victims of Crime | | | | |
| Pass Through: California Office of Emergency Services Rape Crisis Program | | | | |
| Victims of Crime Act Victim Assistance | 16.575 | RC20401001 | - | 89,939 |
| Victims of Crime Act Victim Assistance | 16.575 | RC21411001 | - | 74,462 |
| Domestic Violence Assistance Program | | | | |
| Victims of Crime Act Victim Assistance | 16.575 | DV20351001 | - | 134,670 |
| Victims of Crime Act Victim Assistance | 16.575 | DV20351001 | - | 121,241 |
| Unserved / Underserved Victim Advocacy & Outreach Program | | | | |
| Victims of Crime Act Victim Assistance | 16.575 | UV20051001 | - | 119,249 |
| Victims of Crime Act Victim Assistance | 16.575 | UV21061001 | - | 78,289 |
| Transitional Housing Program | | | | |
| Victims of Crime Act Victim Assistance | 16.575 | XH20031001 | - | 88,154 |
| Victims of Crime Act Victim Assistance | 16.575 | XH21041001 | - | 26,135 |
| Underserved Child & Youth Advocacy (XY) Program | | | | |
| Victims of Crime Act Victim Assistance | 16.575 | XY21011001 | - | 15,285 |
| City of Los Angeles Office of the City Attorney City of Los Angeles County Victim Services Program | | | | |
| Victims of Crime Act Victim Assistance | 16.575 | C-138290 | - | 23,574 |
| County of Los Angeles District Attorney | | | | |
| Victims of Crime Act Victim Assistance | 16.575 | RC2-2020 | - | 45,885 |
| Victims of Crime Act Victim Assistance | 16.575 | RC2-2021 | - | 5,246 |
| Victims of Crime Act Victim Assistance | 16.575 | DV3-2020 | - | 34,820 |
| Victims of Crime Act Victim Assistance | 16.575 | DV3-2021 | - | 2,023 |
| California Partnership to End Domestic Violence Emergency COVID-19 Victim Services Response [COVID Relief] Victims of Crime Act (VOCA) Victim Assistance Formula Grant Program | 16.575 | | - | 1,182 |
| Total - Victims of Crime Act Victim Assistance | | | - | 860,154 |
| Total US Department of Justice - Office on Victims of Crime | | | - | 860,154 |
| Total Federal Awards | | | \$ 27,495 | \$ 2,620,595 |

CENTER FOR THE PACIFIC-ASIAN FAMILY, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2022

1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards ("SEFA") includes federal grant activity of the Organization and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the U.S. Office of Management and Budget (OMB) Compliance Supplement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the SEFA are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Compliance Supplement, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Pass through entity identifying numbers are presented where available.

3. INDIRECT COST RATE

The Organization did not elect to use the 10% de minimis indirect cost rate.

CENTER FOR THE PACIFIC-ASIAN FAMILY, INC.
SCHEDULE OF EXPENDITURES OF STATE & LOCAL AWARDS
YEAR ENDED JUNE 30, 2022

| CFDA Grantor / Pass-Through Grantor / Program | Award Number | Total Expenditures |
|--|-------------------------|-------------------------------|
| California Office of Emergency Services | | |
| Statewide Domestic Violence Assistance Program | DV20351001 | \$ 63,918 |
| Statewide Domestic Violence Assistance Program | DV20351001 | 112,159 |
| State General Fund | DV20351001 | 45,656 |
| State Penalty Assessment Fund | RC20401001 | 5,660 |
| State Penalty Assessment Fund | RC21411001 | 11,941 |
| State General Fund | RC21411001 | 99,870 |
| State General Fund | UV21061001 | 35,907 |
| State General Fund | XH21041001 | 19,431 |
| State General Fund | XY21011001 | 7,282 |
| State General Fund | SD21011001 | 19,011 |
| State General Fund | RC2-2021 | 32,975 |
| State General Fund | DV3-2021 | 25,529 |
| County of Los Angeles Department of Public Health | | |
| Domestic Violence Shelter Based Program | PH-003568-5 | 42,151 |
| Domestic Violence Shelter Based Program | PH-003568-5 | 42,151 |
| City of Los Angeles Community Investment for Families Department | | |
| General Funds | C-136706 | 172,261 |
| General Funds | C-136798 | 25,500 |
| People Assisting the Homeless | | |
| Los Angeles Homeless Services Authority | | |
| County of Los Angeles Measure H Funds | 160-2-CE-RCDV-019-CPAF | 12,242 |
| Total State & Local Awards | | \$ 773,644 |

See Independent Auditors' Report

CENTER FOR THE PACIFIC-ASIAN FAMILY, INC.
SCHEDULE OF FINDINGS, QUESTIONED COSTS, AND RECOMMENDATIONS
JUNE 30, 2022

I. SUMMARY OF AUDIT RESULTS

1. The independent auditors' report expresses an unmodified opinion on the financial statements of Center for the Pacific-Asian Family, Inc. (Organization).
2. No significant deficiencies relating to the audit of the financial statements are reported in the independent auditors' 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.
3. No instances of noncompliance material to the financial statements of the Organization, which would be required to be reported in accordance with Government Auditing Standards, were disclosed in the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the independent auditors' report on compliance for each major program and on internal control over compliance required by Uniform Guidance.
5. The independent auditors' report on compliance for the major federal award programs for the Organization expresses an unmodified opinion on all major federal programs.
6. There were no audit findings that are required to be reported in accordance with the Uniform Guidance are reported in this schedule.
7. Major programs:
 - United States Department of Justice – Office on Violence Against Women - \$193,630
 - United States Department of Justice – Office on Violence Against Women - \$70,137
 - United States Department of Health & Human Services – Administration for Children and Families - \$294,530
8. The threshold used for distinguishing between Type A and B programs was \$750,000.
9. The Organization was determined to be a low-risk auditee.

CENTER FOR THE PACIFIC-ASIAN FAMILY, INC.
SCHEDULE OF FINDINGS, QUESTIONED COSTS, AND RECOMMENDATIONS
JUNE 30, 2022
(continued)

II. FINDINGS – FINANCIAL STATEMENT AUDIT / QUESTIONED COSTS / RECOMMENDATIONS

None

CENTER FOR THE PACIFIC-ASIAN FAMILY, INC.
SCHEDULE OF FINDINGS, QUESTIONED COSTS, AND RECOMMENDATIONS
JUNE 30, 2022
(continued)

III. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

CENTER FOR THE PACIFIC-ASIAN FAMILY, INC.
SCHEDULE OF FINDINGS, QUESTIONED COSTS, AND RECOMMENDATIONS
JUNE 30, 2022
(continued)

IV. PRIOR AUDIT FINDINGS

None