

CENTER FOR THE PACIFIC-ASIAN FAMILY, INC.

FINANCIAL STATEMENTS

June 30, 2023

(with Summarized Totals for 2022)

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INDEPENDENT AUDITORS' REPORT

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

Report on Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Center for the Pacific-Asian Family, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, 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 referred to above present fairly, in all material respects, the financial position of Center for the Pacific-Asian Family, Inc. (the Organization) as of June 30, 2023, 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 Auditors' 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 opinion.

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.

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 auditors' 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, including omissions, 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 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 schedule of grant revenues and expenditures are presented for purposes of additional analysis and is 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 schedule of grant revenues and expenditures and schedule of expenditures of federal awards 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 6, 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, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

The financial statements of Center for the Pacific-Asian Family, Inc. as of June 30, 2022, were audited by other auditors, whose report dated December 21, 2022, expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Long Beach, California
December 6, 2023

CENTER FOR THE PACIFIC-ASIAN FAMILY, INC.

**STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR 2022)**

ASSETS

	<u>June 30,</u>	
	<u>2023</u>	<u>2022</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,639,389	\$ 1,426,767
Board-designated operating reserve	1,110,000	1,110,000
Grants receivable	965,613	1,088,918
Other receivables	13,300	45,918
Investments	-	39,825
Deposit and prepaid expenses	47,814	55,315
	<u>3,776,116</u>	<u>3,766,743</u>
NONCURRENT ASSETS		
Property and equipment, net	2,612,767	2,733,272
Operating lease right-of-use assets	42,951	-
	<u>2,655,718</u>	<u>2,733,272</u>
TOTAL ASSETS	<u>\$ 6,431,834</u>	<u>\$ 6,500,015</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 109,163	\$ 99,459
Accrued liabilities	390,396	337,046
	<u>499,559</u>	<u>436,505</u>
NONCURRENT LIABILITIES		
Operating lease liabilities	45,463	-
Total liabilities	<u>545,022</u>	<u>436,505</u>
NET ASSETS		
Without donor restrictions		
Invested in property, building, and equipment	2,612,767	2,733,272
Board-designated operating reserve	1,110,000	1,110,000
Undesignated operating funds	1,910,310	1,699,888
Total without donor restrictions	<u>5,633,077</u>	<u>5,543,160</u>
With donor restrictions	253,735	520,350
Total net assets	<u>5,886,812</u>	<u>6,063,510</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 6,431,834</u>	<u>\$ 6,500,015</u>

The accompanying notes are an integral part of these financial statements.

CENTER FOR THE PACIFIC-ASIAN FAMILY, INC.

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR 2022)**

	Without Donor Restrictions	With Donor Restrictions	Total	
			2023	2022
REVENUE, SUPPORT, AND OTHER INCOME				
Federal awards	\$ 3,129,661	\$ -	\$ 3,129,661	\$ 2,620,595
State and local grants	956,909	-	956,909	773,644
Private grants	385,500	334,500	720,000	1,137,000
Contributions	140,407	-	140,407	279,491
In-kind contributions	120,961	-	120,961	124,374
Fundraising events	274,852	-	274,852	99,580
Other income and investment return, net	39,825	-	39,825	(9,052)
Retirement of property, building, and equipment, net	-	-	-	(2,027)
Paycheck Protection Program loan forgiveness	-	-	-	597,597
Net assets released from restriction	<u>601,115</u>	<u>(601,115)</u>	<u>-</u>	<u>-</u>
 Total Revenue, Support, and Other Income	 <u>5,649,230</u>	 <u>(266,615)</u>	 <u>5,382,615</u>	 <u>5,621,202</u>
EXPENSES				
Program services	4,476,279	-	4,476,279	4,272,592
Management and general	816,806	-	816,806	737,615
Development	<u>266,228</u>	<u>-</u>	<u>266,228</u>	<u>156,587</u>
 Total Expenses	 <u>5,559,313</u>	 <u>-</u>	 <u>5,559,313</u>	 <u>5,166,794</u>
 CHANGE IN NET ASSETS	 89,917	 (266,615)	 (176,698)	 454,408
 NET ASSETS, BEGINNING OF YEAR	 <u>5,543,160</u>	 <u>520,350</u>	 <u>6,063,510</u>	 <u>5,609,102</u>
 NET ASSETS, END OF YEAR	 <u>\$ 5,633,077</u>	 <u>\$ 253,735</u>	 <u>\$ 5,886,812</u>	 <u>\$ 6,063,510</u>

The accompanying notes are an integral part of these financial statements.

CENTER FOR THE PACIFIC-ASIAN FAMILY, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR 2022)**

	Program Services			Development	Management and General	Total	
	Community Programs	Shelter Programs	Total			2023	2022
PERSONNEL EXPENSES							
Salaries	\$ 1,174,115	\$ 1,263,662	\$ 2,437,777	\$ 136,234	\$ 528,585	\$ 3,102,596	\$ 2,908,881
Payroll taxes	91,508	97,341	188,849	10,460	39,925	239,234	228,073
Employee benefits	147,908	216,034	363,942	17,147	75,299	456,388	418,012
Total personnel expenses	<u>1,413,531</u>	<u>1,577,037</u>	<u>2,990,568</u>	<u>163,841</u>	<u>643,809</u>	<u>3,798,218</u>	<u>3,554,966</u>
OPERATIONAL EXPENSES							
In-kind volunteer services	58,493	-	58,493	-	-	58,493	57,840
Accounting and audit services	-	-	-	-	38,826	38,826	28,703
Payroll and retirement plan services	6,268	6,980	13,248	557	2,216	16,021	17,936
Consultants	17,471	7,750	25,221	-	36,075	61,296	66,112
Program related subcontracts	45,067	21,812	66,879	-	-	66,879	27,641
Outreach and promotion	5,075	-	5,075	126	-	5,201	1,930
Office expenses	1,245	9,159	10,404	420	4,313	15,137	30,070
Communications and technology	44,590	65,842	110,432	11,779	21,316	143,527	158,183
Occupancy	77,158	178,899	256,057	7,566	36,900	300,523	258,848
Travel	24,454	10,507	34,961	426	178	35,565	11,740
Meetings, conferences and trainings	8,558	4,414	12,972	4,608	8,007	25,587	12,729
Shelter supplies & food	-	52,107	52,107	-	-	52,107	50,875
Program activities	39,028	13,450	52,478	-	-	52,478	30,939
Client assistance	304,581	209,989	514,570	-	-	514,570	553,410
In-kind legal aid services for clients	5,258	56,822	62,080	-	-	62,080	57,362
Donated supplies and materials	338	50	388	-	-	388	6,076
Interest expense	-	-	-	-	-	-	5,139
Depreciation and amortization	-	165,505	165,505	-	-	165,505	167,784
Insurance	16,364	18,114	34,478	1,494	19,355	55,327	52,488
Membership, tax & other fees	7,745	2,618	10,363	6,603	3,006	19,972	14,692
Fundraising expenses	-	-	-	68,116	-	68,116	1,000
Other expenses	-	-	-	692	2,805	3,497	331
Total operational expenses	<u>661,693</u>	<u>824,018</u>	<u>1,485,711</u>	<u>102,387</u>	<u>172,997</u>	<u>1,761,095</u>	<u>1,611,828</u>
TOTAL 2023 FUNCTIONAL EXPENSES	<u>\$ 2,075,224</u>	<u>\$ 2,401,055</u>	<u>\$ 4,476,279</u>	<u>\$ 266,228</u>	<u>\$ 816,806</u>	<u>\$ 5,559,313</u>	
PERCENTAGE OF EXPENSES	37%	43%		5%	15%	100%	
TOTAL 2022 FUNCTIONAL EXPENSES	<u>\$ 1,843,228</u>	<u>\$ 2,429,364</u>		<u>\$ 156,587</u>	<u>\$ 737,615</u>		<u>\$ 5,166,794</u>
PERCENTAGE OF EXPENSES	36%	47%		3%	14%		100%

The accompanying notes are an integral part of these financial statements.

CENTER FOR THE PACIFIC-ASIAN FAMILY, INC.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR 2022)**

	For the Year Ended June 30,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (176,698)	\$ 454,408
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	165,505	167,784
Amortization on operating lease	108,193	-
Net realized and unrealized losses on investments	39,825	15,395
Retirement of property, building, and equipment, net	-	2,027
Service payback revenue	-	(3,096)
Interest accrued and included in note payable - Paycheck Protection Program	-	5,139
Donated investments	-	(55,220)
Paycheck Protection Program loan forgiveness	-	(597,598)
Change in operating assets and liabilities:		
Grants receivable	123,305	(272,052)
Other receivable	32,618	(22,635)
Deposit and prepaid expenses	7,501	(9,653)
Operating lease assets and liabilities	(105,681)	-
Accounts payable	9,704	(3,823)
Accrued liabilities	53,350	99,087
Net Cash Provided By (Used In) Operating Activities	<u>257,622</u>	<u>(220,237)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, building, and equipment	(45,000)	(41,199)
Net Cash Used In Investing Activities	<u>(45,000)</u>	<u>(41,199)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	212,622	(261,436)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>2,536,767</u>	<u>2,798,203</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 2,749,389</u></u>	<u><u>\$ 2,536,767</u></u>
CASH AND CASH EQUIVALENTS	\$ 1,639,389	\$ 1,426,767
BOARD-DESIGNATED OPERATING RESERVE	1,110,000	1,110,000
CASH AND CASH EQUIVALENTS, AND RESTRICTED CASH	<u><u>\$ 2,749,389</u></u>	<u><u>\$ 2,536,767</u></u>

The accompanying notes are an integral part of these financial statements.

CENTER FOR THE PACIFIC-ASIAN FAMILY, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023

(WITH COMPARATIVE TOTALS FOR 2022)

NOTE 1 – Description of Organization

Established in 1978, Center for the Pacific-Asian Family, Inc. (“CPAF” or “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’s mission is to build healthy and safe communities by addressing the root causes and consequences of family violence and violence against women. The organization is committed to meeting the specific cultural and language needs of API women and their families. 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 Housing program to support survivors who want 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.

Domestic and sexual violence are notoriously difficult issues to address. While the important MeToo movement highlighted the revolutionary impact of survivor disclosures, such mainstream movements may come short of piercing the enormous barriers faced by API survivors. In response to this challenge, CPAF fills a unique gap which few others are positioned to fill. CPAF remains the only rape crisis center in the entire state of California focused on serving API survivors, and one of only four agencies in the state providing comprehensive domestic violence services, including emergency shelter, with that cultural focus.

CPAF takes a trauma-informed, culturally responsive, and linguistically accessible approach to helping API immigrant survivors of domestic and sexual violence overcome the unique structural barriers they face on their journey toward healing and empowerment. 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 thirty API languages. CPAF is a respected resource, both locally and nationally, on issues of domestic/sexual violence within API communities. 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.

CENTER FOR THE PACIFIC-ASIAN FAMILY, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023

(WITH COMPARATIVE TOTALS FOR 2022)

NOTE 1 – Description of Organization (Continued)

CPAF's services include:

Multilingual 24-hour Helpline and Intervention Program: CPAF provides a 24-hour telephone crisis hotline, seven days per week, in up to thirty API languages and dialects, and a community center for walk-in services. Individuals experiencing domestic violence or sexual assault can receive immediate crisis management services including safety planning, counseling, and assistance to receive needed medical, legal, and other services.

Emergency Shelter: Adults and children who have experienced domestic violence or sexual assault stay in CPAF's safe and confidential 13-unit emergency shelter for up to six months while they move from crisis to safety and healing. Basic needs such as food, clothing, and toiletries are provided, and comprehensive case management services help survivors plan for their future safety. Educational workshops teach survivors independent living skills and financial literacy, and low-income survivors are linked to public benefits and asset-building programs. Approximately 90% of the survivors CPAF serves are low-income.

Transitional Housing: Survivors who want to establish their own non-violent households often need a longer transition period than an emergency shelter provides. CPAF operates two safe and confidential transitional housing facilities for survivors and children to live in for twelve months, plus follow-up services. Advocates provide counseling, case management, parenting classes, life-skills classes, financial budgeting workshops, and connect survivors to permanent affordable housing options and job opportunities. Survivors attend educational or vocational training programs to develop marketable skills.

Community Outreach, Engagement, and Prevention Education: CPAF works closely with community partners to raise awareness of domestic violence and sexual assault. To build community capacity to serve API survivors, CPAF conducts regular presentations and trainings including our 65-hour Domestic Violence and Sexual Assault Advocate Training and "Decoding Language & Culture" Training. CPAF also partners with schools and youth-serving organizations in the API community to engage and mobilize youth to prevent domestic and sexual violence.

CENTER FOR THE PACIFIC-ASIAN FAMILY, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023

(WITH COMPARATIVE TOTALS FOR 2022)

NOTE 1 – Description of Organization (Continued)

Pivoting Toward the Future: After a nine-month executive search and interview process, the Board of Directors named Patima Komolamit as CPAF’s new Executive Director. Joining CPAF as a Family Advocate in 2007, Patima has since led the largest team as the Shelter Program Director, and thus brings first-hand direct service experience and a long-time commitment to organizational vision and values to this role. Patima’s years in the field working with government and philanthropic leaders, local communities, and clients will help guide CPAF into its exciting new chapter.

Over the past three years, following the 2020 uprisings in response to the murder of George Floyd, CPAF has deepened its commitment to becoming an anti-racist organization, while continuing to address intersecting issues of injustice and exclusion. CPAF has formed a Racial Justice Committee and continues to pursue efforts toward racial justice and inclusion at all levels of the organization, recognizing that standing against racism is also inherently linked to standing against other systems of oppression that reinforce patriarchy, homophobia, transphobia, classism, and other forms of violence.

NOTE 2 – Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting.

Use of Estimates

In preparing the financial statements in conformity with auditing standards generally accepted in the United States of America (U.S. GAAP), management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenue and expenses during the reporting period. Actual results could differ from those estimates.

Classes of Net Assets

To ensure observance of certain constraints and restrictions placed on the use of resources, the accounts of CPAF are maintained in accordance with the principles of net assets accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into net asset classes that are in accordance with specified activities or objectives. Accordingly, all financial transactions have been recorded and reported by net asset class as follows:

CENTER FOR THE PACIFIC-ASIAN FAMILY, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023

(WITH COMPARATIVE TOTALS FOR 2022)

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Classes of Net Assets (Continued)

Without Donor Restrictions – These generally result from revenue generated by receiving contributions without donor restrictions, providing services, and receiving income from investments, less expenses incurred in providing program-related services, raising contributions, and performing administrative functions. The net assets of the Board Designated Operating Reserve (Note 3) are also included within net assets without donor restrictions.

With Donor Restrictions – CPAF reports gifts of cash and other assets as donor-restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, donor-restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Other donor stipulations are perpetual in nature, where the donor stipulates that the corpus be maintained intact in perpetuity but permits CPAF to expend all of the income (or other economic benefits) derived from the donated assets.

As of June 30, 2023 and 2022, CPAF does not have any perpetual restricted net assets.

Cash and Cash Equivalents

For purposes of the statement of cash flows, CPAF considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents. CPAF places its cash and cash equivalents with high-credit, quality financial institutions. At times, such investments may be in excess of the Federal Deposit Insurance Corporation insurance limit. CPAF has not incurred losses related to these investments and believes it is not exposed to any significant credit risk on cash.

Board-designated operating reserve

Board-designated operating reserve includes amounts that have been designated by the board as an operating reserve for the purpose of maintaining an adequate level of unrestricted net assets to support the Organization's day to day operations in the event of unforeseen shortfalls.

CENTER FOR THE PACIFIC-ASIAN FAMILY, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023

(WITH COMPARATIVE TOTALS FOR 2022)

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities and money market funds are reported at fair value. Interest and dividend income and gains and losses on investments are reported in the statement of activities as increases or decreases in net assets without donor restrictions unless their use is restricted by donor stipulations or by law.

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.

Property and Equipment

Property and equipment is recorded at cost if purchased or at fair value at the date of donation if donated. Depreciation is computed on the straight-line basis over the estimated useful lives of the related assets. Amortization of leasehold improvements is over the term of the lease agreement. Maintenance and repair costs are charged to expense as incurred. Property and equipment is capitalized if the cost of an asset is greater than or equal to five thousand dollars and the useful life is greater than one year.

The estimated useful lives of property and equipment are as follows:

Buildings and Improvements	30 years
Furniture and Equipment	5-7 years

Long-Lived Assets

CPAF reviews the carrying value of its long-lived assets for possible impairment whenever events or changes in circumstances indicate that the book value of the assets may not be recoverable. An impairment loss is recognized when the sum of the undiscounted future cash flows is less than the carrying amount of the asset, in which case a write-down is recorded to reduce the related asset to its estimated fair value. No impairment losses were recognized during the years ended June 30, 2023 and 2022.

CENTER FOR THE PACIFIC-ASIAN FAMILY, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023

(WITH COMPARATIVE TOTALS FOR 2022)

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Accrued Vacation

Accumulated unpaid employee vacation benefits are recognized as liabilities of CPAF and is included in accrued liabilities on the statement of financial position.

Revenue Recognition

Contributions, including unconditional promises to give, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend are substantially met.

Revenue from certain federal, state, county, and city grants are conditioned upon certain performance requirements, which can include the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when CPAF has incurred expenditures in compliance with specific contract or grant provisions and any other conditions are met. Any difference between expenses incurred and the total funds received (not to exceed the grant maximum) is recorded as a receivable or an advance, whichever is applicable.

Contributed Goods and Services

Contributions of donated noncash assets are recorded at fair value in the period received. Contributions of donated services are recognized if the services received (a) create or enhance long-lived assets, or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Income Taxes

CPAF is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the “Code”) as a charitable organization whereby only unrelated business income, as defined by Section 512(a)(1) of the Code, is subject to federal income tax. CPAF currently has no unrelated business income. Accordingly, no provision for income taxes has been recorded. CPAF is also exempt under California Revenue and Taxation Code Section 23701(d).

CENTER FOR THE PACIFIC-ASIAN FAMILY, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023

(WITH COMPARATIVE TOTALS FOR 2022)

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Income Taxes (Continued)

CPAF is subject to potential income tax audits on open tax years by any taxing jurisdiction in which it operates. The statute of limitations for federal and California purposes is generally three and four years, respectively.

Functional Allocation of Expenses

The costs of providing CPAF's programs and other activities have been presented in the statement of functional expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit.

Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Assets and liabilities are measured at fair value using a three-level fair value hierarchy that ranks the quality and reliability of the information used to measure fair value. The three levels of inputs used to measure fair value are as follows:

- Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the report date.
- Level 2 - Pricing inputs are other than quoted prices in active markets included in level 1, which are either directly or indirectly observable as of the reporting date.
- Level 3 - Pricing inputs include significant inputs that are generally unobservable from objective sources. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value.

An asset's or liability's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. All assets and liabilities for which the fair value measurement is based on significant unobservable inputs or instruments which trade infrequently and, therefore, have little or no price transparency are classified as level 3.

CENTER FOR THE PACIFIC-ASIAN FAMILY, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023

(WITH COMPARATIVE TOTALS FOR 2022)

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Recently Adopted Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued new lease accounting guidance in ASU 2016-02 *Leases (Topic 842)* (ASU 2016-02), which modifies lease accounting for lessees to increase transparency and comparability by requiring CPAF to recognize a lease liability and related right-of-use assets for all leases (with the exception of short-term leases) at the commencement date of the lease and to disclose key information about leasing arrangements.

Effective July 1, 2022, CPAF adopted ASU 2016-02. CPAF determines if an arrangement contains a lease at inception based on whether CPAF has the right to control the asset during the contract period and other facts and circumstances. CPAF elected the package of practical expedients permitted under the transition guidance within the new standard, which among other things, allowed it to carry forward the historical lease classification.

CPAF's policy for determining its lease discount rate used for measuring lease liabilities is to use the rate implicit in the lease whenever that rate is readily determinable. If the rate implicit in the lease is not readily determinable, then CPAF has elected to use the risk-free discount rate, as permitted by U.S. GAAP, determined using a period comparable with that of the lease term.

CPAF has elected a policy to account for short-term leases, defined as any lease with a term less than 12 months, by recognizing all components of the lease payment in the statement of activities in the period in which the obligation for the payments is incurred.

CPAF adopted ASU 2016-02 utilizing the modified-retrospective transition method through a cumulative-effect adjustment. The adoption of ASU 2016-02 resulted in the recognition of right-of-use assets and operating lease liabilities of \$151,144 as of July 1, 2022. Results for periods beginning prior to July 1, 2022, continue to be reported in accordance with their historical accounting treatment. The adoption of ASU 2016-02 did not have a material impact on CPAF's results of operations or cash flows.

Subsequent Events

CPAF has evaluated subsequent events from the statement of financial position date through December 6, 2023, the date the financial statements were available to be issued for the year ended June 30, 2023 and 2022.

CENTER FOR THE PACIFIC-ASIAN FAMILY, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023

(WITH COMPARATIVE TOTALS FOR 2022)

NOTE 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.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	June 30,	
	2023	2022
Cash and cash equivalents	\$ 1,639,389	\$ 1,426,767
Board-designated operating reserve	1,110,000	1,110,000
Grants receivable	965,613	1,088,918
Other receivable	13,300	45,918
Total financial assets	<u>3,728,302</u>	<u>3,671,603</u>
Less amounts unavailable for general expenditures within one year as a result of:		
Operating reserve	(1,110,000)	(1,110,000)
Net assets with donor restrictions	<u>(253,735)</u>	<u>(520,350)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,364,567</u>	<u>\$ 2,041,253</u>

CPAF maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

CENTER FOR THE PACIFIC-ASIAN FAMILY, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023

(WITH COMPARATIVE TOTALS FOR 2022)

NOTE 4 – Fair Value Measurements

During the year ended June 30, 2023, CPAF fully liquidated the investments held as of June 30, 2022.

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, 2023 and 2022.

Mutual funds: Mutual funds consist of growth and global research funds Valued at the net asset value of shares held by CPAF at the end of the fiscal year.

Investments measured at fair value consists of the following:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
June 30, 2022:				
Mutual funds	\$ -	\$ 39,825	\$ -	\$ 39,825
	<u>\$ -</u>	<u>\$ 39,825</u>	<u>\$ -</u>	<u>\$ 39,825</u>

CPAF has no liabilities and nonrecurring assets measured at fair value as of June 30, 2023 and 2022.

NOTE 5 – Investments

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 statement of activities.

Net investment return consists of the following:

	For the Year Ended	
	June 30,	
	<u>2023</u>	<u>2022</u>
Interest and dividend income from investments	\$ 24,550	\$ 6,343
Realized and unrealized gains (losses)	<u>-</u>	<u>(15,395)</u>
	<u>\$ 24,550</u>	<u>\$ (9,052)</u>

CENTER FOR THE PACIFIC-ASIAN FAMILY, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023

(WITH COMPARATIVE TOTALS FOR 2022)

NOTE 6 – Property and Equipment

Property, building, and equipment consists of the following as of June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Land	\$ 1,407,254	\$ 1,407,254
Building	660,100	660,100
Building improvements	2,730,407	2,685,407
Equipment, furniture, and fixtures	51,246	86,238
Vehicles	<u>123,584</u>	<u>123,584</u>
	4,972,591	4,962,583
Less accumulated depreciation and amortization	<u>(2,359,824)</u>	<u>(2,229,311)</u>
Property and equipment, net	<u><u>\$ 2,612,767</u></u>	<u><u>\$ 2,733,272</u></u>

Depreciation and amortization expense for the years ended June 30, 2023 and 2022 was \$165,505 and \$167,784, respectively.

NOTE 7 – Leases

CPAF leases office space under a long-term operating lease expiring November 30, 2023, which management is currently in the process of negotiating a new long term lease.

As part of its lease agreement, variable payments are not determinable at lease commencement and are not included in the measurement of the lease assets and liabilities. The lease agreements do not include any material residual value guarantees or restrictive covenants.

Lease expenses included in "Occupancy" in the statement of functional expenses include the following components for the year ended June 30, 2023 and 2022:

	<u>2023</u>
Operating lease costs	\$ 103,583

CENTER FOR THE PACIFIC-ASIAN FAMILY, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023

(WITH COMPARATIVE TOTALS FOR 2022)

NOTE 7 – Leases (Continued)

The following summarizes the cash flow information related to leases for the year ended June 30, 2023:

Cash paid for amounts included in the measurement of lease liabilities:

Operating cash flows from operating leases	\$ 108,284
--	------------

Noncash investing and financing activity:

Right-of-use assets obtained in exchange for operating lease liabilities upon ASU 842 adoption	\$ 151,144
--	------------

The maturities of operating lease liabilities as of June 30, 2023, are as follows:

<u>Year Ending June 30,</u>	
---------------------------------	--

2024	\$ 45,673
Less amount representing interest	<u>(210)</u>
Present value of minimum lease payments	<u>\$ 45,463</u>

NOTE 8 – Note Payable – Small Business Administration Paycheck Protection Program

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 two and a half 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 used 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 the principal loan and accrued interest.

CENTER FOR THE PACIFIC-ASIAN FAMILY, INC.

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR 2022)**

NOTE 9 – Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes:

	June 30,	
	2023	2022
Subject to purpose restrictions		
COVID-19 pandemic response, support to survivors	\$ -	\$ 2,360
Shelter programs, economic empowerment to survivors	69,100	23,570
Shelter beautification	-	10,000
Capacity building, technology	2,500	98,965
Capacity building, leadership	36,805	1,500
Prevention programs	20,330	33,955
Prevention programs and time restrictions	<u>25,000</u>	<u>50,000</u>
Total subject to purpose restrictions	153,735	220,350
Subject to time restrictions	<u>100,000</u>	<u>300,000</u>
Total net assets with donor restrictions	<u>\$ 253,735</u>	<u>\$ 520,350</u>

NOTE 10 – Net Assets Released from Restrictions

Net assets released from donor restrictions were as follows:

	June 30,	
	2023	2022
COVID-19 pandemic response, support to survivors	\$ 77,760	\$ 71,230
Shelter programs, economic empowerment to survivors	78,570	113,430
Shelter beautification	10,000	-
Capacity building, evaluation	5,500	-
Capacity building, technology	90,965	100,685
Capacity building, prevention	25,000	83,000
Capacity building, prevention and time restriction	-	58,000
Capacity building, leadership	34,695	23,500
Prevention programs	78,625	57,545
General operations – time restriction	<u>200,000</u>	<u>-</u>
Total released from donor restrictions	<u>\$ 601,115</u>	<u>\$ 507,390</u>

CENTER FOR THE PACIFIC-ASIAN FAMILY, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023

(WITH COMPARATIVE TOTALS FOR 2022)

NOTE 10 – Net Assets Released from Restrictions (Continued)

The release of donor restrictions during the year ended June 30, 2023 resulted in a change of net assets without donor restrictions of \$89,917.

NOTE 11 – 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 a 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.

CENTER FOR THE PACIFIC-ASIAN FAMILY, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023

(WITH COMPARATIVE TOTALS FOR 2022)

NOTE 11 – In-Kind Contributions (Continued)

Donated Supplies and Materials

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.

CPAF received the following in-kind contributions:

	June 30,	
	2023	2022
Pro-bono legal services	\$ 62,080	\$ 57,362
In-kind volunteer services	58,493	57,840
Donated supplies and materials	388	6,076
Service payback revenue	<u>-</u>	<u>3,096</u>
Total in-kind contributions	<u>\$ 120,961</u>	<u>\$ 124,374</u>

NOTE 12 – Retirement Plan

CPAF has a 401(k) plan covering employees who have completed one 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.

Effective January 1, 2023, CPAF matches 1 to 1 on the first 3% of employee's wages, and 50% match for the next 4%-5%, for a total maximum match of 4% of employee wages for the year ended June 30, 2023.

CPAF made matching contributions for the year ended June 30, 2023 and 2022 of \$86,154 and \$66,407, respectively.

CENTER FOR THE PACIFIC-ASIAN FAMILY, INC.

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR 2022)**

NOTE 13 – Related-Party Transactions

For the year ended June 30, 2023 and 2022, CPAF received \$44,473 and \$27,439, respectively, in contributions from board members, officers, and key employees.

NOTE 14 – Subsequent Events

Subsequent to year end, CPAF signed an amendment to the lease agreement for their office space. This amendment extends the term of the lease through May 31, 2025. Under this amendment, the monthly lease payments are \$6,041 through November 2024 and \$6,222 from December 2024 through May 2025.

Subsequent to year end, CPAF welcomed a new Executive Director in July 2023 and the outgoing Executive Director was authorized by the Board of Directors to receive compensation through January 2024, which will be paid from the Board Designated Reserves.

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, 2023**

Grant No.	DV20 35 1001				
Revenues	\$323,532				
Expenditures:		<u>7/1/22-9/30/22</u>	<u>Cash Match</u>	<u>In-Kind Match</u>	<u>Total</u>
Personal services		169,639	-	-	169,639
Operating expenses		153,893	-	-	153,893
Equipment		-	-	-	-
		<u>323,532</u>	<u>-</u>	<u>-</u>	<u>323,532</u>
Grant No.	DV22 37 1001				
Revenues	\$345,853				
Expenditures:		<u>10/1/22-6/30/23</u>	<u>Cash Match</u>	<u>In-Kind Match</u>	<u>Total</u>
Personal services		203,657	-	-	203,657
Operating expenses		142,196	-	-	142,196
Equipment		-	-	-	-
		<u>345,853</u>	<u>-</u>	<u>-</u>	<u>345,853</u>
Grant No.	RC21 41 1001				
Revenues	\$126,339				
Expenditures:		<u>7/1/22-6/30/23</u>	<u>Cash Match</u>	<u>In-Kind Match</u>	<u>Total</u>
Personal services		98,911	-	-	98,911
Operating expenses		27,428	-	-	27,428
Equipment		-	-	-	-
		<u>126,339</u>	<u>-</u>	<u>-</u>	<u>126,339</u>
Grant No.	RC22 42 1001				
Revenues	\$178,679				
Expenditures:		<u>10/1/22-6/30/23</u>	<u>Cash Match</u>	<u>In-Kind Match</u>	<u>Total</u>
Personal services		142,410	-	-	142,410
Operating expenses		36,269	-	-	36,269
Equipment		-	-	-	-
		<u>178,679</u>	<u>-</u>	<u>-</u>	<u>178,679</u>
Grant No.	UV21 06 1001				
Revenues	\$114,137				
Expenditures:		<u>7/1/22-12/31/22</u>	<u>Cash Match</u>	<u>In-Kind Match</u>	<u>Total</u>
Personal services		69,214	-	-	69,214
Operating expenses		44,923	-	-	44,923
Equipment		-	-	-	-
		<u>114,137</u>	<u>-</u>	<u>-</u>	<u>114,137</u>

CENTER FOR THE PACIFIC-ASIAN FAMILY, INC.

**SCHEDULE OF GRANT REVENUES & EXPENDITURES
CALIFORNIA OFFICE OF EMERGENCY SERVICES
FOR THE YEAR ENDED JUNE 30, 2023
(Continued)**

Grant No.	UV22 01 1001				
Revenues	\$109,553				
Expenditures:		<u>1/1/23-6/30/23</u>	<u>Cash Match</u>	<u>In-Kind Match</u>	<u>Total</u>
Personal services		69,684	-	-	69,684
Operating expenses		39,869	-	-	39,869
Equipment		-	-	-	-
		<u>109,553</u>	<u>-</u>	<u>-</u>	<u>109,553</u>
Grant No.	XH21 04 1001				
Revenues	\$101,989				
Expenditures:		<u>7/1/22-12/31/22</u>	<u>Cash Match</u>	<u>In-Kind Match</u>	<u>Total</u>
Personal services		67,571	-	-	67,571
Operating expenses		34,418	-	-	34,418
Equipment		-	-	-	-
		<u>101,989</u>	<u>-</u>	<u>-</u>	<u>101,989</u>
Grant No.	XH22 01 1001				
Revenues	\$125,001				
Expenditures:		<u>1/1/23-6/30/23</u>	<u>Cash Match</u>	<u>In-Kind Match</u>	<u>Total</u>
Personal services		76,601	-	-	76,601
Operating expenses		48,400	-	-	48,400
Equipment		-	-	-	-
		<u>125,001</u>	<u>-</u>	<u>-</u>	<u>125,001</u>
Grant No.	XY21 01 1001				
Revenues	\$127,433				
Expenditures:		<u>7/1/22-12/31/22</u>	<u>Cash Match</u>	<u>In-Kind Match</u>	<u>Total</u>
Personal services		83,165	-	-	83,165
Operating expenses		44,268	-	-	44,268
Equipment		-	-	-	-
		<u>127,433</u>	<u>-</u>	<u>-</u>	<u>127,433</u>
Grant No.	XY22 02 1001				
Revenues	\$66,522				
Expenditures:		<u>1/1/23-6/30/23</u>	<u>Cash Match</u>	<u>In-Kind Match</u>	<u>Total</u>
Personal services		50,628	-	-	50,628
Operating expenses		15,894	-	-	15,894
Equipment		-	-	-	-
		<u>66,522</u>	<u>-</u>	<u>-</u>	<u>66,522</u>
Grant No.	SD21 01 1001				
Revenues	\$127,277				
Expenditures:		<u>7/1/22-6/30/23</u>	<u>Cash Match</u>	<u>In-Kind Match</u>	<u>Total</u>
Personal services		100,935	-	-	100,935
Operating expenses		26,342	-	-	26,342
Equipment		-	-	-	-
		<u>127,277</u>	<u>-</u>	<u>-</u>	<u>127,277</u>

**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***

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

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, 2023, 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 December 6, 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 the 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*.

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.

A handwritten signature in black ink that reads "Windes, Inc." in a cursive script.

Long Beach, California
December 6, 2023

**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.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Center for the Pacific-Asian Family, Inc. (the Organization) (a nonprofit 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, 2023. 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, 2023.

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 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 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.



Long Beach, California
December 6, 2023

CENTER FOR THE PACIFIC-ASIAN FAMILY, INC.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass Through Grantor/Program Title	Federal Assistance Listing	Contract/ Agreement Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Housing and Urban Development				
Office of Community Planning and Development				
<i>Passed through City of Los Angeles Community Investment for Families Department</i>				
Community Development Block Grant / Entitlement Grants				
Domestic Violence Shelter Operations Program	14.218	C-138706-1	\$ -	\$ 309,924
<i>[COVID Relief] Community Development</i>				
Block Grant - Coronavirus Aid Relief & Economic Security				
Survivors First Homeless Prevention Program	14.218	C-138923-1	-	421,271
Total - Community Investment for Families Department			-	731,195
<i>Passed through Los Angeles Homeless Services Authority</i>				
Continuum of Care Program	14.267	CA0341L9D002013	-	31,210
Continuum of Care Program	14.267	CA0341L9D002114	-	248,788
Total - Los Angeles Homeless Services Authority			-	279,998
<i>Passed through People Assisting the Homeless Los Angeles Homeless Services Authority</i>				
Continuum of Care Program	14.267	160-2-CE-RCDV-019-CPAF	-	38,989
Continuum of Care Program	14.267	160-2-CE-RCDV-019-CPAF	-	43,086
Total - People Assisting the Homeless			-	82,075
Total U.S. Department of Housing & Urban Development			-	1,093,268
U.S. Department of Health & Human Services				
<i>Pass through Centers for Disease Control and Prevention</i>				
California Department of Public Health				
Epidemiology and Prevention for Injury Control (EPIC) Branch				
Rape Prevention and Education Program	93.136	18-10714	-	59,768
Preventive Health and Health Services Block Grant				
Rape Set Aside Funding	93.991	18-10714	-	41,843
Total - Centers for Disease Control and Prevention			-	101,611
<i>Pass through California Office of Emergency Services</i>				
Family Violence Prevention and Services Act American Rescue				
Plan Grants to Support Survivors of Sexual Assault	93.497	RC21411001	-	58,670
American Rescue Plan Family Violence Prevention and				
Services/Domestic Violence Shelter and Supportive Services	93.671	DV20351001	-	65,000
Grant				
Family Violence Prevention and Services/Domestic Violence				
Shelter and Supportive Services Grant Program	93.671	DV22371001	-	79,898
Total - California Office of Emergency Services			-	203,568
<i>Pass through California Department of Social Services</i>				
<i>Office of Child Abuse Prevention</i>				
Child Abuse Prevention and Treatment Act American Rescue				
Plan Act	93.669	PP-CPAF-22-25	12,006	35,610
Total - California Department of Social Services			12,006	35,610
Total U.S. Department of Health & Human Services			12,006	340,789

CENTER FOR THE PACIFIC-ASIAN FAMILY, INC.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023
(Continued)**

Federal Grantor/Pass Through Grantor/Program Title	Federal Assistance Listing	Contract/ Agreement Number	Passed Through to Subrecipients	Federal Expenditures
U.S. 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	21,812	131,520
Transitional Housing Assistance for Victims of Domestic Violence, Dating Violence, Stalking, or Sexual Assault	16.736	15JOVW-22-GG-03189-TRAN	-	4,314
Training and Technical Assistance Initiative	16.526	15JOVW-22-GK-03992-MUMU	-	25,636
Sexual Assault Services Culturally Specific Program	16.023	2016-KS-AX-0003	-	118,099
Culturally and Linguistically Specific Services Program	16.016	2020-UW-AX-0009	-	107,282
Culturally and Linguistically Specific Services Program	16.016	15JOVW-22-GG-02947-CSSP	-	23,858
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	33,061	97,480
<i>Pass through Legal Aid Foundation of Los Angeles</i>				
Legal Assistance for Victims	16.524	2019-WL-AX-0003	-	1,856
<i>Pass through Korean American Family Services</i>				
FY2019 Transitional Housing Assistance for Victims of Domestic Violence, Dating Violence, Stalking, or Sexual Assault	16.736		-	421
Total U.S. Department of Justice - Office on Violence Against Women			<u>54,873</u>	<u>510,466</u>
U.S. Department of Justice - Office on Victims of Crime				
<i>Pass through California Office of Emergency Services</i>				
Rape Crisis Program				
Victims of Crime Act Victim Assistance	16.575	RC21411001	-	32,814
Victims of Crime Act Victim Assistance	16.575	RC22421001	-	166,738
Domestic Violence Assistance Program				
Victims of Crime Act Victim Assistance	16.575	DV20351001	-	126,009
Victims of Crime Act Victim Assistance	16.575	DV22371001	-	121,775
Unserved/Underserved Victim Advocacy and Outreach Program				
Victims of Crime Act Victim Assistance	16.575	UV21061001	-	69,214
Victims of Crime Act Victim Assistance	16.575	UV22011001	-	109,553
Transitional Housing (XH) Program				
Victims of Crime Act Victim Assistance	16.575	XH21041001	-	87,695
Victims of Crime Act Victim Assistance	16.575	XH22011001	-	125,001
Underserved Child & Youth Advocacy (XY) Program				
Victims of Crime Act Victim Assistance	16.575	XY21011001	-	81,565
Victims of Crime Act Victim Assistance	16.575	XY22021001	-	66,522
County of Los Angeles District Attorney				
Victims of Crime Act Victim Assistance	16.575	RC2-2021	-	54,779
Victims of Crime Act Victim Assistance	16.575	RC2-2022	-	53,000
Victims of Crime Act Victim Assistance	16.575	DV3-2021	-	44,448
Victims of Crime Act Victim Assistance	16.575	DV3-2022	-	46,025
Total - Victims of Crime Act Victim Assistance			<u>-</u>	<u>1,185,138</u>
Total U.S. Department of Justice - Office on Victims of Crime			<u>-</u>	<u>1,185,138</u>
Total Federal Awards			<u>\$ 66,879</u>	<u>\$ 3,129,661</u>

CENTER FOR THE PACIFIC-ASIAN FAMILY, INC.

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards (SEFA) includes the federal grant activity of Center for the Pacific-Asian Family, Inc. (the Organization). The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

NOTE 2 – Summary of Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in the notes to the financial statements of the Organization as of and for the year ended June 30, 2023.

The Organization has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

CENTER FOR THE PACIFIC-ASIAN FAMILY, INC.

**SCHEDULE OF EXPENDITURES OF STATE & LOCAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

Grantor/Pass Through Grantor/Program Title	Contract/ Agreement Number	Total Expenditures
California Office of Emergency Services		
Domestic Violence Assistance Program		
State General Fund (VCGF)	DV20351001	\$ 42,701
State General Fund (DVP0)	DV20351001	89,822
State General Fund (DVP0)	DV22371001	144,180
Rape Crisis Program		
State General Fund (VCGF)	RC21411001	34,855
State Penalty Assessment Fund (RCP5)	RC22421001	11,941
Unserved/Underserved Victim Advocacy and Outreach Program		
State General Fund (VCGF)	UV21061001	44,923
Transitional Housing (XH) Program		
State General Fund (VCGF)	XH21041001	14,294
Underserved Child & Youth Advocacy (XY) Program		
State General Fund (VCGF)	XY21011001	45,868
Sexual and Domestic Violence Prevention (SD) Program		
State General Fund (DSVP)	SD21011001	127,277
County of Los Angeles - Department of Public Health		
Domestic Violence Shelter Based Program	PH-003568-9	42,151
Domestic Violence Shelter Based Program	PH-003568-9	42,151
Domestic Violence Shelter Based Program	PH-003568-9	33,000
Domestic Violence Shelter Based Program	PH-003568-9	33,000
City of Los Angeles Community Investment for Families		
Department		
General Funds-Domestic Violence Shelter Operations	C-136706-1	185,076
State of California, Business, Consumer Services, and Housing Agency - Family Homelessness Challenge Grant	C-142459-0	40,183
City of Los Angeles Mayor's Office of Homeland Security and Public Safety		
General Funds	C-138670	<u>25,487</u>
Total State & Local Awards		<u><u>\$ 956,909</u></u>

CENTER FOR THE PACIFIC-ASIAN FAMILY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

The auditors’ report expresses an unmodified opinion on whether the financial statements of Center for the Pacific Asian Family, Inc. were prepared in accordance with general accepted accounting principles.

Internal control over financial reporting

1. Material weakness(es) identified? – No
2. Significant deficiencies identified? – None reported
3. Noncompliance material to financial statements noted? – No

Federal Awards

Internal control over major programs

1. Material weakness(es) identified? – No
2. Significant deficiencies identified? – None reported
3. Type of auditors’ report issued on compliance for major programs – Unmodified
4. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? – No
5. Identification of major programs:
Office on Victims of Crime – 16.575
6. Dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
7. Auditee qualified as low-risk auditee? – Yes

SECTION II – FINDINGS FINANCIAL STATEMENTS AUDIT

None noted.

SECTION III – FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS

None noted.