

Family Caregiver Alliance
(A Nonprofit Corporation)

FINANCIAL REPORT

JUNE 30, 2022 and 2021

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Family Caregiver Alliance
(A Nonprofit Corporation)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Family Caregiver Alliance** (A Nonprofit Organization) which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years 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 Family Caregiver Alliance as of June 30, 2022 and 2021, and changes in its net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 Family Caregiver Alliance 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 these 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 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.

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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 audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) 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. 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 audits 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 expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2022 on our consideration of Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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.

Bowman & Company, CP

Stockton, California
November 15, 2022

FAMILY CAREGIVER ALLIANCE
(A Nonprofit Corporation)

STATEMENTS OF FINANCIAL POSITION

June 30, 2022 and 2021

ASSETS	2022	2021
CURRENT ASSETS		
Cash and cash equivalents	\$ 175,309	\$ 271,060
Investments	2,820,916	1,962,621
Government grants receivable	1,157,432	1,807,540
Contributions receivable, current portion	1,093,471	197,521
Contracts receivable	26,000	13,000
Other receivables	10,080	21,000
Prepaid expenses	61,197	81,014
Unbilled contract costs	--	56,843
Total current assets	5,344,405	4,410,599
PROPERTY AND EQUIPMENT, net	25,624	15,605
OTHER ASSETS		
Deposits	31,484	54,316
Contributions receivable, less current portion	137,251	--
Investments, restricted	--	44,151
Total assets	\$ 5,538,764	\$ 4,524,671
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 578,454	\$ 642,592
Accrued interest	--	3,226
Loan payable - Paycheck Protection Program	--	309,074
Deferred revenue	--	19,500
Deferred rent	43,248	--
Total current liabilities	621,702	974,392
NET ASSETS		
Without donor restrictions	4,030,884	2,934,367
With donor restrictions	886,178	615,912
Total net assets	4,917,062	3,550,279
Total liabilities and net assets	\$ 5,538,764	\$ 4,524,671

FAMILY CAREGIVER ALLIANCE
(A Nonprofit Corporation)

STATEMENTS OF ACTIVITIES

For the Year Ended June 30, 2022

	Without donor restrictions	With donor restrictions	Total
SUPPORT AND REVENUE			
Support			
Government grants	\$ 4,372,113	\$ --	\$ 4,372,113
Contributions	1,262,813	761,498	2,024,311
Release of net assets with donor restrictions	491,232	(491,232)	--
Total support	6,126,158	270,266	6,396,424
Revenue			
Grant contract revenue	35,000	--	35,000
Contract revenue	130,000	--	130,000
Other income	17,774	--	17,774
Investment income (loss), net	(62,932)	--	(62,932)
Total revenue	119,842	--	119,842
Total support and revenue	6,246,000	270,266	6,516,266
EXPENSES			
Program services	4,549,718	--	4,549,718
Management and general	572,237	--	572,237
Fundraising	27,528	--	27,528
Total expenses	5,149,483	--	5,149,483
Change in net assets	1,096,517	270,266	1,366,783
Net assets, beginning of year	2,934,367	615,912	3,550,279
Net assets, end of year	\$ 4,030,884	\$ 886,178	\$ 4,917,062

FAMILY CAREGIVER ALLIANCE
(A Nonprofit Corporation)

STATEMENTS OF ACTIVITIES (Cont.)

For the Year Ended June 30, 2021

	Without donor restrictions	With donor restrictions	Total
SUPPORT AND REVENUE			
Support			
Government grants	\$ 4,046,715	\$ --	\$ 4,046,715
Contributions	146,567	645,929	792,496
Release of net assets with donor restrictions	650,746	(650,746)	--
Total support	<u>4,844,028</u>	<u>(4,817)</u>	<u>4,839,211</u>
Revenue			
Grant contract revenue	35,000	--	35,000
Contract revenue	65,000	--	65,000
Other income	11,231	--	11,231
Investment income (loss), net	65,683	--	65,683
Total revenue	<u>176,914</u>	<u>--</u>	<u>176,914</u>
Total support and revenue	<u>5,020,942</u>	<u>(4,817)</u>	<u>5,016,125</u>
EXPENSES			
Program services	4,121,747	--	4,121,747
Management and general	504,307	--	504,307
Fundraising	28,565	--	28,565
Total expenses	<u>4,654,619</u>	<u>--</u>	<u>4,654,619</u>
Change in net assets	366,323	(4,817)	361,506
Net assets, beginning of year	2,568,044	620,729	3,188,773
Net assets, end of year	<u>\$ 2,934,367</u>	<u>\$ 615,912</u>	<u>\$ 3,550,279</u>

FAMILY CAREGIVER ALLIANCE
(A Nonprofit Corporation)

STATEMENTS OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2022

	Total Program Services	Management and General	Fundraising	Total Expenses
Salaries	\$ 1,417,707	\$ 338,158	\$ 17,326	\$ 1,773,191
Payroll taxes	107,845	25,724	1,319	134,888
Employee benefits	285,860	67,089	3,507	356,456
Alzheimer's Disease Caregiving Legacy Awards	60,000	--	--	60,000
Communications	93,202	22,441	997	116,640
Equipment	40,511	9,663	494	50,668
Family support services	984,903	--	--	984,903
Insurance	12,301	2,934	150	15,385
Occupancy	190,489	45,436	2,328	238,253
Office	71,578	14,116	1,320	87,014
Postage and delivery	3,924	853	68	4,845
Printing	1,289	212	--	1,501
Program fees and consultants	204,363	13,769	--	218,132
Publications and translations	107,852	--	--	107,852
Subcontractors	938,625	24,000	--	962,625
Travel and conferences	14,330	7,450	--	21,780
Interest	--	26	--	26
Depreciation	1,532	366	19	1,917
Amortization	13,407	--	--	13,407
Totals	\$ 4,549,718	\$ 572,237	\$ 27,528	\$ 5,149,483

FAMILY CAREGIVER ALLIANCE
(A Nonprofit Corporation)

STATEMENTS OF FUNCTIONAL EXPENSES (Cont.)

For the Year Ended June 30, 2021

	Program Services	Management and General	Fundraising	Total Expenses
Salaries	\$ 1,131,716	\$ 287,178	\$ 14,992	\$ 1,433,886
Payroll taxes	91,188	23,139	1,208	115,535
Employee benefits	289,491	71,867	3,821	365,179
Alzheimer's Disease Caregiving Legacy Awards	60,000	--	--	60,000
Communications	116,541	29,959	1,407	147,907
Equipment	28,963	7,350	384	36,697
Family support services	861,106	--	--	861,106
Insurance	9,785	2,483	130	12,398
Occupancy	180,236	45,736	2,388	228,360
Office	36,010	5,862	3,222	45,094
Postage and delivery	7,064	569	1,009	8,642
Printing	5,330	--	--	5,330
Program fees and consultants	164,588	1,803	--	166,391
Publications and translations	66,558	--	--	66,558
Subcontractors	1,046,079	24,000	--	1,070,079
Travel and conferences	3,803	1,057	--	4,860
Interest	--	3,226	--	3,226
Depreciation	306	78	4	388
Amortization	22,983	--	--	22,983
Totals	<u>\$ 4,121,747</u>	<u>\$ 504,307</u>	<u>\$ 28,565</u>	<u>\$ 4,654,619</u>

FAMILY CAREGIVER ALLIANCE
(A Nonprofit Corporation)

STATEMENTS OF CASH FLOWS

For the years ended June 30, 2021 and 2020

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,366,783	\$ 361,506
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	1,917	389
Amortization	13,407	22,983
Forgiveness of debt and accrued interest	(312,300)	--
Realized and unrealized (gain) loss on investments	72,756	(61,740)
Write off of capitalized computer software, net	--	14,556
Changes in assets and liabilities:		
(Increase) decrease in:		
Contributions receivable	(1,033,201)	452,479
Government grants receivable	650,108	14,667
Contracts receivable	(13,000)	(13,000)
Other receivables	10,920	(10,122)
Prepaid expenses	76,660	2,357
Deposits	22,832	(20,702)
(Decrease) increase in:		
Accounts payable and accrued expenses	(64,138)	(158,292)
Accrued interest	--	3,226
Deferred revenue	(19,500)	12,876
Deferred rent	43,248	--
Net cash provided by (used in) operating activities	<u>816,492</u>	<u>621,183</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(25,342)	(2,586)
Proceeds from sale of investments	1,275,000	1,690,000
Purchases of investments	<u>(2,161,901)</u>	<u>(2,249,526)</u>
Net cash provided by (used in) investing activities	<u>(912,243)</u>	<u>(562,112)</u>
Net increase (decrease) in cash and cash equivalents	(95,751)	59,071
Cash and cash equivalents, beginning of year	<u>271,060</u>	<u>211,989</u>
Cash and cash equivalents, end of year	<u>\$ 175,309</u>	<u>\$ 271,060</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH FINANCING ACTIVITIES:		
Forgiveness of loan and interest payable	<u>\$ 312,300</u>	<u>\$ -</u>

FAMILY CAREGIVER ALLIANCE

(A Nonprofit Corporation)

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Organization and Significant Accounting Policies

Organization:

Family Caregiver Alliance (FCA) is a California based not-for-profit corporation founded in 1977 to improve the quality of life for caregivers and for the people who receive their care.

Programs and Activities:

For over 40 years, FCA has provided services to family caregivers of adults with physical and cognitive impairments, such as Parkinson's, stroke, Alzheimer's and other types of dementia. FCA services include caregiver assessment, care planning, direct care skills education, wellness programs, respite services, legal/financial consultation and therapeutic counseling vouchers. The services, education programs and resources from FCA are designed with caregivers' needs in mind and offer support, tailored information and tools to manage the complex demands of caregiving. These include:

- FCA CareNav is a secure online solution for quality information, support and resources for family caregivers available 24/7
- The Bay Area Caregiver Resource Center (BA-CRC) providing direct services to six-counties of the San Francisco Bay Area (Alameda, Contra Costa, Marin, San Mateo, San Francisco, Santa Clara).
- Family Caregiver Services by State and Caregiver Resource Specialists, connecting families, friends and partners to resources and services from across the USA.
- The National Center on Caregiving uniting research, policy, and practice to advance the development of high-quality, cost-effective programs and policies for caregivers in every state.

Highlights:

The California Caregiver Resource Centers (CRC's) are meeting vital caregiver needs across California now more than ever. Thanks to use of FCA's CareNav, accurate data is now available to the CRC system to drive more informed service delivery and program improvements. New and adapted support services specifically for employed caregivers and diverse families (mono-lingual non-English speaking, LGBTQ+, BIPOC, and low literacy) are being deployed. All staff receive training on the revised caregiver assessment and service model as well as use of digital platform and telehealth technologies.

Best Practice Caregiving, Guiding Organizations to Dementia Programs for Family Caregivers – Available at [Caregiver.org](https://caregiver.org):

This rich database of proven dementia caregiving programs is a product of the collaboration among three leading organizations in the field of aging and caregiving: Benjamin Rose Institute on Aging, Center for Research & Education; Family Caregiver Alliance: National Center on Caregiving; and The Gerontological Society of America. Project funders are The John A. Hartford Foundation, Archstone Foundation and RRF Foundation for Aging. Joining the partnership in 2022 is the Diverse Elder's Coalition just in time for the development of the new BPC "consumer version" (available in 2023) making this data-rich resource even more accessible to caregiving family and friends across the nation including those from diverse communities. Sign up to receive news and update at BestPracticeCaregiving@caregiver.org.

FAMILY CAREGIVER ALLIANCE
(A Nonprofit Corporation)

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Organization and Significant Accounting Policies (Cont.)

Family Caregiver Alliance is proud to offer up-to-date information and education resources including:

Four new videos on neurodegenerative conditions (ALS, Huntington's disease, MS, and Parkinson's disease), 14 new translated fact sheets, and 10 all-new infographics featuring quick tips and insights based on our most popular caregiver fact sheets—and 40+ years of experience supporting family caregivers.

The infographics are packed with helpful tips on a range of topics including: Helpful Tips for Family Caregivers, Self-Care for Family Caregivers, Hiring In-Home Help, Writing a Personal Care Agreement, Researching Care, Types of Residential Care, Hospital Discharge Planning, Working Successfully with Dementia, Helping You Understand Dementia Behaviors, Communicating with Someone with Dementia, Facts About Dementia, Real-Life Strategies for Dementia Caregiving, Help us help family caregivers—these are free to caregivers and providers everywhere on www.caregiver.org.

A Focus on Diversity and Equity:

Since its inception, FCA continues to evolve as an organization it remains committed to serving communities of color while also addressing in every way the inequities in overall health that are based in institutional discrimination. This commitment will serve as a basis of FCA's services program and in direct services, public policy and advocacy work.

A summary of significant accounting policies applied in the preparation of the financial statements follows:

Basis of Accounting:

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

Basis of Presentation:

FCA is required to report information regarding their financial position and activities according to the following net asset classifications:

Net assets without donor restrictions:

Net assets without donor restrictions are not subject to donor-impose restrictions, but may be designated for specific purposes by action of the Board of Directors, or otherwise limited by contractual arrangements with outside parties.

Net assets with donor restrictions:

Net assets with donor restrictions are subject to donor-imposed restrictions. FCA reclassifies net assets with donor restrictions to net assets without donor restrictions when it fulfills donor-imposed restrictions through actions FCA takes or the passage of time.

FAMILY CAREGIVER ALLIANCE
(A Nonprofit Corporation)

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Organization and Significant Accounting Policies (Cont.)

Cash and Cash Equivalents:

FCA considers all unrestricted highly liquid instruments purchased with an initial maturity of three months or less to be cash equivalents. FCA periodically maintains cash on deposit at a bank in excess of the Federal Deposit Insurance Corporation limit. FCA has not experienced any losses in such accounts.

Fair Value of Financial Instruments

The carrying amount of financial instruments, including cash and cash equivalents, contributions receivable, grants receivable, contracts receivable, other receivables, accounts payable and accrued expenses approximate their fair value due to the short-term maturities of these instruments.

The carrying amounts (which are fair value) of long-term investments are based on values provided by quoted market values.

Investments:

FCA carries investments at fair market value. Donated investments are stated at fair market value on the date of donation. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

Contributions Receivable:

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value, which is measured at the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Due to the immaterial amount of the calculated discount, FCA has not recorded the discount amount.

Grants Receivable:

Grants receivable consist of amounts due under conditional cost-reimbursement government grants and contracts. All grants receivable are due within in one year.

Contracts Receivable:

Contracts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The FCA provides for losses on contracts receivable using the allowance method. Contracts receivable are considered impaired if principal payments are not received in accordance with contractual terms.

FAMILY CAREGIVER ALLIANCE
(A Nonprofit Corporation)

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Organization and Significant Accounting Policies (Cont.)

Allowance for Doubtful Accounts:

FCA continually monitors creditworthiness and recognizes allowances for estimated bad debts on receivable accounts that are no longer estimated to be collectible. FCA adjusts any allowance for subsequent collections upon final determination that a receivable is no longer collectible. At June 30, 2022 and 2021, allowance for doubtful accounts on receivables was \$0.

Property and Equipment:

Property and equipment are stated at cost if purchased or at the approximate fair value at the date placed in service, if donated. Depreciation is computed on the straight-line basis over the estimated useful lives:

	<u>Years</u>
Leasehold improvements	7
Equipment	5
Computer software costs	5

It is the policy of FCA to capitalize additions with costs greater than \$2,500.

During the year ended June 30, 2017, FCA completed development of its CareNav (formerly CareJourney) portal for caregivers and counselors. FCA established the technological feasibility of CareNav during September 2016 and released CareNav for sale to customers during February 2017.

Accordingly, FCA expensed research and development costs related to CareNav before September 2016, expensed maintenance and customer support costs after February 2017 and capitalized costs between September 2016 and February 2017. FCA amortizes its capitalized computer software costs based on the higher of straight-line over five years and in proportion that cumulative sales have to total estimated sales.

Impairment of Long-Lived Assets:

FCA evaluates its long-lived assets for impairment whenever events or changes in circumstances indicate, in management's judgment, that the carrying value of such assets may not be recoverable. The determination of whether long-lived assets are recoverable is based on management's estimate of the sum of the undiscounted future cash flows expected to result from the use and eventual disposition of the long-lived assets, as compared to its carrying value. If the carrying amount of the long-lived assets is greater than the undiscounted cash flows, an impairment loss would be recognized for the amount by which the carrying amount of the assets exceeds its fair value as determined from an appraisal, discounted cash flow analysis, or other valuation technique. There were no impairment losses recognized for the years ended June 30, 2022 and 2021.

FAMILY CAREGIVER ALLIANCE
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NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Organization and Significant Accounting Policies (Cont.)

Accumulated Vacation:

Accumulated unpaid employee vacation benefits are recognized as liabilities of FCA. The amount of accumulated vacation at June 30, 2022 and 2021 was \$225,463 and \$206,183, respectively.

Accumulated Sick Leave:

Sick leave benefits are accumulated for each employee. The employees do not gain a vested right to accumulated sick leave. Accumulated employee sick leave benefits are not recognized as liabilities of the agency since payment of such benefits is not probable or estimable. Therefore, sick leave benefits are recorded as expenditures in the period sick leave is taken.

Revenue Recognition:

All support is considered available for unrestricted use unless specifically restricted by donor in accordance with ASC Topic 958-605. Support and unconditional contributions are recognized immediately and classified as either net assets with donor restrictions or net assets without donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as satisfaction of restrictions on net assets with donor restrictions.

Conditional contributions received are accounted for as a refundable advance on the statement of financial position or are unrecognized initially, that is, until the barriers to entitlement are overcome, at which point the transaction is recognized as unconditional and classified as either net assets with restrictions or net assets without restrictions.

All other revenue is recognized when earned based on an exchange of goods and/or services in accordance with ASC Topic 606. Amounts not earned during the reporting period are recognized as deferred revenue on the statements of financial position.

Income Tax Status:

FCA has been granted tax-exempt status by the Internal Revenue Service under IRC Section 501(c)(3) and the California Franchise Tax Board under Section 23701d. FCA is classified by the Internal Revenue Service as an other-than-private foundation. Accordingly, no provision for federal or state income taxes is made in the accompanying financial statements. FCA's Forms 990, *Return of Organization Exempt from Income Tax*, are subject to examination by the IRS, generally for three years after they were filed.

FAMILY CAREGIVER ALLIANCE
(A Nonprofit Corporation)

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Organization and Significant Accounting Policies (Cont.)

Functional Expenses:

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among program services management and general and fundraising costs. Such allocations are determined by management on an equitable basis. Expenses directly attributable to a specific functional are reported as expenses of those functional activities.

<u>Expense</u>	<u>Method Of Allocation</u>
Salaries and benefits	Time and effort
Subcontractors and outside services	Time and effort
Travel and conferences	Time and effort
Occupancy	Full time equivalent
Office supplies	Full time equivalent
Program supplies	Time and effort

Nature of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

New Accounting Pronouncements:

During the year ended June 30, 2021, FCA adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (ASC 606) and all related amendments. ASC 606 supersedes most existing revenue recognition guidance. ASC 606 provides a principles-based framework for recognizing revenue to depict the transfer of promised goods or services to customers in an amount that reflected the consideration the entity expects in exchange for the goods or services provided. It also requires enhanced disclosures to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. FCA adopted ASC 606 and all related amendments using the modified retrospective transition method. FCA concluded that the adoption of the new standard did not require an adjustment to the opening equity balance and has no material impact for the year ended June 30, 2021.

FAMILY CAREGIVER ALLIANCE
(A Nonprofit Corporation)

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Organization and Significant Accounting Policies (Cont.)

Reclassifications:

Certain amounts in the June 30, 2021 financial statements have been classified for comparative purposes to conform to the presentation in the June 30, 2022 financial statements.

Subsequent Events:

Management has evaluated subsequent events through November 15, 2022, the date on which the financial statements were available to be issued.

Note 2. Availability and Liquidity

FCA liquidity management involves biweekly forecasts of cash flows from operating and investing activities for the following two weeks and quarter. Quarterly, liquidity is reviewed by Executive Director and the Finance Committee of the Board of Directors. As part of its liquidity management, FCA invests cash in excess of daily requirements in a dividend-earning money market mutual fund. In addition, FCA has available a bank credit line to meet short-term cash deficits. The quasi endowment established by the board is available for re-designation at the discretion of the board.

The following represents the FCA's financial assets at June 30:

Financial assets at year end:	2022	2021
Cash and cash equivalents	\$ 175,309	\$ 271,060
Investments	2,820,916	1,962,621
Government grants receivable	1,157,432	1,807,540
Contributions receivable, current	1,093,471	197,521
Contracts receivable	26,000	13,000
Other receivables	10,080	21,000
Total financial assets	5,283,208	4,272,742
Less amounts not available to be used within one year:		
Quasi endowment established by the board	(2,776,765)	(1,918,471)
Financial assets available to meet general expenditures over the next twelve months.	\$ 2,506,443	\$ 2,354,271

Note 3. Investments and Fair Value Measurements

FASB ASC 820, *Fair Value Measurements and Disclosures*, provides the 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).

FAMILY CAREGIVER ALLIANCE

(A Nonprofit Corporation)

NOTES TO FINANCIAL STATEMENTS

Note 3. Investments and Fair Value Measurements (Cont.)

The hierarchy is broken down into three levels based on the observability of inputs as follows:

Level 1—quoted prices in active markets for identical investments.

Level 2—observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted price for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3—unobservable inputs not corroborated by market data, therefore requiring the entity to use the best information available in the circumstances, including the entity's own data.

The categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. All of the cash and cash equivalents and investments invested in marketable securities are deemed to be Level 1 within the valuation hierarchy.

Investments consisted of the following at June 30:

	2022	2021
Cash and cash equivalents	\$ 99,136	\$ 99,127
Money market funds	2,397,757	1,516,736
Global equities mutual funds	169,225	218,142
Bond index mutual funds	154,798	172,767
Total investments	<u>\$ 2,820,916</u>	<u>\$ 2,006,772</u>

As of June 30, 2022 and 2021, all investments were considered level 1 investments. The long term portion of total investments relates to the portion of the term endowment not available for use with the next year.

Note 4. Endowment

FCA follows FASB ASC 958-205, *Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and Enhanced Disclosures for All Endowment Funds* and the related state of California version of the UPMIFA (CA-UPMIFA).

Endowment funds subject to both FASB ASC 958-205 and CA-UPMIFA include the term endowment. Endowment funds subject to only FASB ASC 958-205 include board designated net assets.

FCA classifies and records net assets associated with endowment funds, including funds designated by the Board of Directors of FCA to function as endowments, based on the existence or absence of donor-imposed restrictions.

FAMILY CAREGIVER ALLIANCE
(A Nonprofit Corporation)

NOTES TO FINANCIAL STATEMENTS

Note 4. Endowment (Cont.)

The Board of Directors of FCA has interpreted the CA-UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. Because of this interpretation, FCA classifies as net assets with donor restrictions the original value of gifts contributed to the permanent endowment, the original value of subsequent gifts to the permanent endowment and accumulation to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

FCA classifies the expendable portion of the donor-restricted endowment fund as net assets with donor restrictions until the Board of Directors of FCA appropriates those amounts for expenditure by FCA in a manner consistent with the standard of prudence prescribed by CA-UPMIFA. In accordance with CA-UPMIFA, FCA considers various factors to determine whether to appropriate or accumulate donor-restricted endowment funds and incorporates the limitation under California state law of appropriations to seven percent of the fair value of the endowment funds.

Endowment net assets composition by type of fund as of June 30, 2022 is as follow:

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total Net Endowment Assets</u>
Donor-restricted term endowment	\$ --	\$ 44,151	\$ 44,151
Quasi endowment designated by the board	<u>2,776,765</u>	<u>--</u>	<u>2,776,765</u>
Total endowment funds	<u>\$ 2,776,765</u>	<u>\$ 44,151</u>	<u>\$ 2,820,916</u>

Changes in endowment net assets for the year ended June 30, 2022 are as follows:

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total Net Endowment Assets</u>
Endowment net assets, beginning of year	\$ 1,918,471	\$ 88,301	\$ 2,006,772
Investment income (loss)	(63,251)	--	(63,251)
Board designated contributions	2,152,395	--	2,152,395
Amounts appropriated for expenditure	<u>(1,230,850)</u>	<u>(44,150)</u>	<u>(1,275,000)</u>
Endowment net assets, end of year	<u>\$ 2,776,765</u>	<u>\$ 44,151</u>	<u>\$ 2,820,916</u>

FAMILY CAREGIVER ALLIANCE
(A Nonprofit Corporation)

NOTES TO FINANCIAL STATEMENTS

Note 4. Endowment (Cont.)

Endowment net assets composition by type of fund as of June 30, 2021 is as follow:

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total Net Endowment Assets</u>
Donor-restricted term endowment	\$ --	\$ 88,301	\$ 88,301
Quasi endowment designated by the board	<u>1,918,471</u>	<u>--</u>	<u>1,918,471</u>
Total endowment funds	<u>\$ 1,918,471</u>	<u>\$ 88,301</u>	<u>\$ 2,006,772</u>

Changes in endowment net assets for the year ended June 30, 2021 are as follows:

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total Net Endowment Assets</u>
Endowment net assets, beginning of year	\$ 1,253,056	\$ 132,451	\$ 1,385,507
Investment income (loss)	65,648	--	65,648
Board designated contributions	2,245,617	--	2,245,617
Amounts appropriated for expenditure	<u>(1,645,850)</u>	<u>(44,150)</u>	<u>(1,690,000)</u>
Endowment net assets, end of year	<u>\$ 1,918,471</u>	<u>\$ 88,301</u>	<u>\$ 2,006,772</u>

The fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or CA-UPMIFA requires FCA to retain as a fund of perpetual duration. FCA records deficiencies of this nature in net assets with donor restrictions. Deficiencies may result from unfavorable market fluctuations that occur shortly after the investment of new donor restricted contributions and continued appropriation for programs that the Board of Directors of FCA deems prudent. As of June 30, 2022 and 2021, there was no deficiency.

FCA has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets.

The investment policy of FCA provides for diversification, preservation of capital and risk aversion. The long-term financial goal for FCA investments is to provide a relatively stable stream of spendable revenue that increases over time at least as fast as the general rate of inflation, as measured by the Consumer Price Index.

The long-term investment objective for FCA investments is to maximize long-term real (i.e., after inflation) total returns (i.e., yield plus capital appreciation) while moderating fundamental investment risks.

FAMILY CAREGIVER ALLIANCE
(A Nonprofit Corporation)

NOTES TO FINANCIAL STATEMENTS

Note 4. Endowment (Cont.)

The spending policy of FCA incorporates CA-UPMIFA and consists of a spending rate, approved by the Board of Directors of FCA annually. The spending rate should provide, to the extent practical, a steady stream of income from year to year, consistent with the need to preserve the endowment fund and accounting for the factors incorporated in CA-UPMIFA.

Board designated endowment funds are subject to re-designation at any time, including re-designation as other than endowment funds.

Note 5. Grants Receivable

Grants receivable totaled as follow at June 30:

	2022	2021
County of Alameda	\$ 36,641	\$ 42,019
State of California	378,536	905,908
County of Contra Costa	29,311	44,154
City and County of San Francisco	657,595	743,803
County of Santa Clara	915	21,651
County of San Mateo	54,434	50,005
Total grants receivable	\$ <u>1,157,432</u>	\$ <u>1,807,540</u>

Note 6. Contributions Receivable

Contributions receivable totaled as follow at June 30:

	2022	2021
Bader Philanthropies, Inc.	\$ --	\$ 65,000
Arthur N. Rupe Foundation	--	75,000
Fidelity Charitable	500,000	--
The Rosalinde and Arthur Gilbert Foundation	130,000	--
Archstone Foundation	14,000	--
The John A. Hartford Foundation	--	57,521
May & Stanley Smith Charitable Trust	80,000	--
Benjamin Rose Institute on Aging	212,000	--
University of Rochester	238,722	--
Metta Fund	6,000	--
Marin County Foundation	50,000	--
Total contributions receivable	\$ <u>1,230,722</u>	\$ <u>197,521</u>

FAMILY CAREGIVER ALLIANCE
(A Nonprofit Corporation)

NOTES TO FINANCIAL STATEMENTS

Note 7. Property and Equipment

Capitalized equipment and software costs totaled as follow at June 30:

	2022	2021
Equipment	\$ 12,191	\$ 2,586
Leasehold improvements	15,738	- -
Computer software cost	114,919	114,919
Less accumulated depreciation and amortization	(117,224)	(101,900)
Property and equipment, net	<u>\$ 25,624</u>	<u>\$ 15,605</u>

During June 30, 2022 and 2021, depreciation of equipment costs totaled \$1,917 and \$388, respectively. During June 30, 2022 and 2021, amortization of capitalized computer software costs totaled \$13,407 and \$22,983, respectively.

Note 8. Loan Payable – Paycheck Protection Program

In June 2020, FCA received loan proceeds in the amount of \$309,047 under the Paycheck Protection Program ("PPP"), established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"). The loans accrued interest at an interest are of 1% was forgivable if the proceeds were used for eligible purposes. Eligible purposes include payroll costs, group health care benefits cost, mortgage payments, rent, utilities, and interest on other debt obligations. FCA used the entire loan proceeds for qualifying expenses. During the year ended June 30, 2022, FCA received approval for forgiveness of debt and interest from Bank and Small Business Administration. FCA recognized debt and interest forgiveness in the amount of \$312,300 included in government grants on the statements of activities for the year ended June 30, 2022.

Note 9. Line of Credit

FCA maintains a \$150,000 revolving unsecured business line of credit from a commercial bank. Amortized principal and fixed interest payments are due monthly on outstanding balance. There was no amount outstanding at June 30, 2022 and 2021.

Note 10. Net Assets

Net assets without donor restrictions consist of the following at June 30:

	2022	2021
Undesignated	\$ 1,254,119	\$ 1,015,896
Board designated	<u>2,776,765</u>	<u>1,918,471</u>
Totals net assets without donor restriction	<u>\$ 4,030,884</u>	<u>\$ 2,934,367</u>

FAMILY CAREGIVER ALLIANCE
(A Nonprofit Corporation)

NOTES TO FINANCIAL STATEMENTS

Note 10. Net Assets (Cont.)

Net assets with donor restrictions reconciled as follow at June 30 2022:

	<u>Beginning</u>	<u>Additions</u>	<u>Releases</u>	<u>Ending</u>
<u>Specific Purpose:</u>				
Dementia Support and Services	\$ 6,963	\$ --	\$ 4,769	\$ 2,194
Respite and Counseling	41,064	825	3,108	38,781
Family Caregiver Training	14,349	23,952	--	38,301
Family Caregiver Clearinghouse	5,907	--	--	5,907
Alzheimer's Caregiving Award	10,000	130,000	75,000	65,000
Impacts of Isolation and Loneliness	53,753	6,000	48,756	10,997
Enhanced ND Caregiver Support	51,325	--	51,325	--
Covid 19 Emergency	194,250	--	137,883	56,367
Improve Wellness through Technology	10,000	--	6,954	3,046
Advancing Engagement of CareNav	75,000	50,000	10,197	114,803
Online platform for patients	--	238,721	5,847	232,874
California Family Caregiver Coalition	--	20,000	4,955	15,045
Benjamin Rose Institute on Aging	--	212,000	33,288	178,712
<u>Passage of Time:</u>				
Term Endowment	88,301	--	44,150	44,151
The Rosalinde and Arthur Gilbert Foundation	--	80,000	--	80,000
Bader Philanthropies, Inc.	65,000	--	65,000	--
Totals net assets with donor restriction	<u>\$ 615,912</u>	<u>\$ 761,498</u>	<u>\$ 491,232</u>	<u>\$ 886,178</u>

Net assets with donor restrictions reconciled as follow at June 30, 2021:

	<u>Beginning</u>	<u>Additions</u>	<u>Releases</u>	<u>Ending</u>
<u>Specific Purpose:</u>				
Caregiver Connect	\$ 252,982	\$ --	\$ 252,982	\$ --
Dementia Support and Services	6,963	--	--	6,963
Respite and Counseling	41,351	--	287	41,064
Family Caregiver Training	14,349	--	--	14,349
Family Caregiver Clearinghouse	5,907	--	--	5,907
Alzheimer's Caregiving Award	8,726	65,000	63,726	10,000
Medication Management Materials	49,474	--	49,474	--
Dementia Caregiving	108,526	--	108,526	--
Best Practice Caregiving	--	5,929	5,929	--
Impacts of Isolation and Loneliness	--	75,000	21,247	53,753
Enhanced ND Caregiver Support	--	75,000	23,675	51,325
Covid 19 Emergency	--	200,000	5,750	194,250
Improve Wellness through Technology	--	10,000	--	10,000
Care Compass Marketing	--	10,000	10,000	--
Advancing Engagement of CareNav	--	75,000	--	75,000
<u>Passage of Time:</u>				
Term Endowment	132,451	--	44,150	88,301
Bader Philanthropies, Inc.	--	130,000	65,000	65,000
Totals net assets with donor restriction	<u>\$ 620,729</u>	<u>\$ 645,929</u>	<u>\$ 650,746</u>	<u>\$ 615,912</u>

FAMILY CAREGIVER ALLIANCE
(A Nonprofit Corporation)

NOTES TO FINANCIAL STATEMENTS

Note 11. Lease Commitments

During the years ended June 30, 2022 and 2021, FCA leased office space under an operating lease that expired October 31, 2021. Subsequently, in April 2022 FCA relocated and leased office space under an operating lease that will expire March 31, 2030. Minimum future rental payments under the non-cancelable operating leases having remaining terms in excess of one year are as follows at June 30, 2022:

2023	\$ 164,847
2024	169,793
2025	174,886
2026	180,133
2027	185,537
	<u>\$ 875,196</u>

Rent expense includes lease payments for office space, storage, and other operating costs. Rent expense for the year ended June 30, 2022 and 2021 was \$227,489 and \$232,291, respectively.

Note 12. Retirement Plan

FCA sponsors a salary deferral plan in accordance with the provision of the Internal Revenue Code Section 403(b). The Plan allows for employee elective contributions and for employer matching contributions. Matching contributions are determined annually at the discretion of the Board of Directors of FCA. Employee contributions are 100% vested. Employer contributions vest based on years of service and fully vest after five years of service. During the year ended June 30, 2022 and 2021, FCA matched 25% of the first \$10,000 of eligible employee deferrals. During the years ended June 30, 2022 and 2021, FCA matching contributions totaled \$48,800 and \$38,974, respectively.

Note 13. Contingencies

FCA's grants and contract activities are subject to inspection and audit by the appropriate funding agencies. The purpose is to determine whether program funds were used in accordance with their respective guidelines and regulations. The potential exists for disallowance of previously funded program costs. The ultimate liability, if any, which may result from these governmental audits cannot be reasonably estimated and, accordingly, FCA has no provision for the possible disallowance of program costs.



**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***

Board of Directors
Family Caregiver Alliance
(A Nonprofit Corporation)

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 Family Caregiver Alliance (the Organization) which comprise the statement of financial position as of June 30, 2022, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 15, 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 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 Organization's internal control. Accordingly, we do not express an opinion of the effectiveness of 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 Organization'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*.

Established 1949
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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 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.

Bowman & Company, LLP

Stockton, California
November 15, 2022



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

Board of Directors

Family Caregiver Alliance
(A Nonprofit Corporation)

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Family Caregiver Alliance's compliance of the types of compliance requirements described 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, Family Caregiver Alliance 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 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 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 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 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 Family Caregiver Alliance'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 Family Caregiver Alliance'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 Family Caregiver Alliance'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 Family Caregiver Alliance'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 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. 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 have not been 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.

Bowman & Company, LLP

Stockton, California
November 15, 2022

SUPPLEMENTARY INFORMATION

FAMILY CAREGIVER ALLIANCE
(A Nonprofit Corporation)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2022

Federal or State Grantor/ Program Title/ Pass-Through Grantor	CFDA #	Award #/ Pass- Through Grantor's Number	Federal Expenditures
U.S. Department of Health and Human Services			
<u>National Family Caregiver Support, Title III, Part E</u>			
Pass through State of California,			
County of Alameda	93.052	900175	\$ 134,509
County of Contra Costa	93.052	40-412-2/3	178,300
County of San Mateo	93.052	57000-20-R077538N	174,354
County of San Francisco	93.052	448973/497487	478,805
Total National Family Caregiver Support, Title III, Part E			<u>965,968</u>
<u>National Family Caregiver Support, Title III, Part E,</u>			
<u>CARES Act</u>			
Pass through State of California,			
County of Alameda	93.052	901939	78,322
County of Contra Costa	93.052	40-438-0	15,816
County of San Francisco	93.052	497471	147,024
Pass through Sourcewise	93.052	2021CA0335.00	42,502
Total Corona Virus Relief Fund			<u>283,664</u>
Total Expenditures of Federal Awards			<u>\$ 1,249,632</u>

FAMILY CAREGIVER ALLIANCE
(A Nonprofit Corporation)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Cont.)
For the Year Ended June 30, 2022

Note A - Basis of Presentation:

The schedule expenditures of federal awards includes the federal award activity of Family Caregiver Alliance (A Nonprofit Corporation) under programs of the federal government for the year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR), Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Family Caregiver Alliance, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Family Caregiver Alliance.

Note B – Summary of Significant Accounting Policies:

Expenditures reported on the accompanying schedule are reported on the accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements of the federal program. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note C – Indirect Cost Rate:

Family Caregiver Alliance has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

FAMILY CAREGIVER ALLIANCE
(A Nonprofit Corporation)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2022

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unmodified
Internal control over financial report:
Material weakness(es) identified? _____ yes X no
Significant deficiency identified that is
not considered to be material weakness? _____ yes X none reported
Noncompliance material to financial
statements noted? _____ yes X no

Federal Awards

Internal control over major programs:
Material weakness(es) identified? _____ yes X no
Significant deficiency identified that is
not considered to be material weakness? _____ yes X none reported
Type of auditors' report issued on compliance
for major programs: unmodified
Any audit findings disclosed that are required
to be reported in accordance with 2CFR
Section 200.516(a)? _____ yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.052	National Family Caregiver Support

Dollar threshold used to distinguish
between type A and type B programs: \$ 750,000
Auditee qualified as low-risk auditee? X yes _____ no

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

Section IV - Prior Year Federal Award Findings and Questioned Costs

None