

**ORANGE COUNTY FAMILY JUSTICE CENTER FOUNDATION**  
**(A California Non-Profit Corporation)**

**FINANCIAL STATEMENTS**

**JUNE 30, 2017 AND 2016**

# ORANGE COUNTY FAMILY JUSTICE CENTER FOUNDATION

## TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1 - 2
<i>Financial Statements</i>	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5 - 6
Statements of Cash Flows	7
Notes to Financial Statements	8 - 10



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## INDEPENDENT AUDITORS' REPORT

**To the Board of Directors  
Orange County Family Justice Center Foundation**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **Orange County Family Justice Center Foundation (a Non-Profit Corporation)**, which comprise the statements of financial position as of **June 30, 2017 and 2016**, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility 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; this includes 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation and fair presentation of the financial statements 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 Entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide the basis for our audit opinion.

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Orange County Family Justice Center Foundation as of June 30, 2017 and 2016, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Hoffman, Short, Rubin, DeWinter, Sanderson*

**HOFFMAN, SHORT, RUBIN, DEWINTER, SANDERSON  
AN ACCOUNTANCY CORPORATION**

**Covina, California  
January 4, 2018**

**ORANGE COUNTY FAMILY JUSTICE CENTER FOUNDATION**  
**STATEMENTS OF FINANCIAL POSITION**

June 30, 2017 and 2016

**ASSETS**

	2017	2016
<b>CURRENT ASSETS</b>		
Cash - checking	\$ 225,338	\$ 116,992
Cash - savings	65,013	64,883
Prepaid expenses	2,810	3,993
<b>Total Current Assets</b>	<b>293,161</b>	<b>185,868</b>
<b>FIXED ASSETS (Note 2)</b>		
Furniture and equipment	23,470	23,470
Accumulated depreciation	(23,470)	(23,470)
<b>Total Fixed Assets</b>	-	-
<b>OTHER ASSETS</b>		
Artwork collection	25,000	25,000
<b>Total Assets</b>	<b>\$ 318,161</b>	<b>\$ 210,868</b>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ -	\$ -
<b>NET ASSETS (Note 2)</b>		
Unrestricted	318,161	210,868
<b>Total Liabilities and Net Assets</b>	<b>\$ 318,161</b>	<b>\$ 210,868</b>

The accompanying Notes to Financial Statements  
are an integral part of these statements

**ORANGE COUNTY FAMILY JUSTICE CENTER FOUNDATION**  
**STATEMENTS OF ACTIVITIES**

Years Ended June 30, 2017 and 2016

	2017	2016
<b>UNRESTRICTED NET ASSETS</b>		
<b>REVENUE AND SUPPORT</b>		
Grants	\$ 35,225	\$ 11,780
Special events		
Annual gala	256,961	26,079
Improv	24,748	12,886
Anniversary luncheon	-	9,365
Toast for hope	1,851	6,305
Motown / Talent show	2,613	-
Contributions	96,711	45,922
Interest	130	259
<b>Total</b>	<b>418,239</b>	<b>112,596</b>
<b>EXPENSES</b>		
Program services	60,932	64,145
General and administrative	47,500	32,774
Fundraising	202,514	45,115
<b>Total Expenses</b>	<b>310,946</b>	<b>142,034</b>
<b>Increase / (Decrease) in Net Assets</b>	<b>107,293</b>	<b>(29,438)</b>
<b>NET ASSETS - Beginning of Year</b>	<b>210,868</b>	<b>240,306</b>
<b>Net Assets - End of Year</b>	<b>\$ 318,161</b>	<b>\$ 210,868</b>

The accompanying Notes to Financial Statements  
are an integral part of these statements

**ORANGE COUNTY FAMILY JUSTICE CENTER FOUNDATION  
STATEMENT OF FUNCTIONAL EXPENSES**

Year Ended June 30, 2017

	<u>PROGRAM SERVICES</u>	<u>GENERAL AND ADMINISTRATIVE</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
<b>EXPENSES</b>				
Direct victim assistance	\$ 2,100	\$ -	\$ -	\$ 2,100
Kids creating change	13,251	-	-	13,251
Teen survivors academy	2,250	-	-	2,250
Other programs	14,543	-	-	14,543
Payroll taxes	2,121	2,122	2,121	6,364
Personnel	26,667	26,666	26,667	80,000
Insurance	-	9,593	-	9,593
Legal and accounting	-	3,215	-	3,215
Miscellaneous	-	59	-	59
Office expenses	-	3,747	11,484	15,231
Special events				
Annual gala	-	-	153,626	153,626
Improv	-	-	7,515	7,515
Toast for hope	-	-	1,101	1,101
Taxes and licenses	-	35	-	35
Telephone	-	646	-	646
Travel / Meetings	-	1,417	-	1,417
<b>Total</b>	<b>\$ 60,932</b>	<b>\$ 47,500</b>	<b>\$ 202,514</b>	<b>\$ 310,946</b>

The accompanying Notes to Financial Statements  
are an integral part of these statements

**ORANGE COUNTY FAMILY JUSTICE CENTER FOUNDATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**

Year Ended June 30, 2016

	<u>PROGRAM SERVICES</u>	<u>GENERAL AND ADMINISTRATIVE</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
<b>EXPENSES</b>				
Direct victim assistance	\$ 3,033	\$ -	\$ -	\$ 3,033
Kids creating change	24,091	-	-	24,091
Teen survivors academy	1,660	-	-	1,660
Other programs	15,072	-	-	15,072
Payroll taxes	1,827	1,827	1,827	5,481
Personnel	18,462	18,461	18,462	55,385
Insurance	-	5,092	-	5,092
Legal and accounting	-	2,609	-	2,609
Printing and copying	-	709	-	709
Office expenses	-	2,865	-	2,865
Special events				
Annual gala	-	-	5,160	5,160
Improv fundraiser	-	-	5,225	5,225
Anniversary luncheon	-	-	12,483	12,483
Toast for hope	-	-	1,958	1,958
Taxes and licenses	-	80	-	80
Telephone	-	461	-	461
Travel / Meetings	-	670	-	670
<b>Total</b>	<b>\$ 64,145</b>	<b>\$ 32,774</b>	<b>\$ 45,115</b>	<b>\$ 142,034</b>

The accompanying Notes to Financial Statements  
are an integral part of these statements



**ORANGE COUNTY FAMILY JUSTICE CENTER FOUNDATION**  
**STATEMENTS OF CASH FLOWS**

Years Ended June 30, 2017 and 2016

	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 107,293	\$ (29,438)
<i>Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:</i>		
Depreciation expense	-	-
(Increase) decrease in assets:		
Prepaid expenses	1,183	(85)
Increase (decrease) in liabilities:		
Accounts payable	-	(6,141)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>108,476</b>	<b>(35,664)</b>
<b>Cash at Beginning of Year</b>	<b>181,875</b>	<b>217,539</b>
<b>Cash at End of Year</b>	<b>\$ 290,351</b>	<b>\$ 181,875</b>
 <b><i>Comprised of:</i></b>		
Cash - checking	\$ 225,338	\$ 116,992
Cash - savings	65,013	64,883
<b>Total</b>	<b>\$ 290,351</b>	<b>\$ 181,875</b>

**SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:**

***Cash Paid During the Years for:***

Interest	\$ -	\$ -
Income tax	-	-

The accompanying Notes to Financial Statements  
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**ORANGE COUNTY FAMILY JUSTICE CENTER FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**

**Years Ended June 30, 2017 and 2016**

**1. ORGANIZATION**

Orange County Family Justice Center Foundation (the Organization), a California non-profit Corporation was formed on April 4, 2006. The specific purpose of the Organization is to provide direct victim assistance and empowerment prevention resources. The Organization serves victims and families whose lives have been impacted by domestic violence, child abuse, elder abuse and sexual assault.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The financial statements are prepared on the accrual basis of accounting and in accordance with U.S. generally accepted accounting principles. Revenues are reported as increases in unrestricted net assets and expenses as decreases in unrestricted net assets.

**Cash and Cash Equivalents**

For purpose of the statements of cash flows, the Organization considers all highly liquid debt instruments purchased with an initial maturity of three months or less to be cash equivalents.

**Accounts Receivable**

The Organization considers its accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

**Capitalization and Depreciation**

Fixed assets are recorded at cost when purchased or at estimated fair market value at the date of bequest or gift. Donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Depreciation is provided on a straight-line basis in amounts sufficient to amortize the cost of the assets over their estimated useful lives of five to ten years. Major additions, betterments and improvements are capitalized, while expenditures for maintenance and repairs are charges to expense as incurred.

The Organization capitalizes all expenditures for fixed assets in excess of \$1,000.

Depreciation expense for the years ended June 30, 2017 and 2016 amounted to \$-0-, each year.

**Net Assets**

None of the Organization's net assets are subject to donor-imposed stipulations and may be expendable for any purpose in performing the primary objectives of the Organization, and are accordingly accounted for as unrestricted net assets.

**Support and Revenue**

The Organization receives donations from public and private foundations, fundraising events and other sources and recognizes these revenues when received.

**ORANGE COUNTY FAMILY JUSTICE CENTER FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**

**Years Ended June 30, 2017 and 2016**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Income Taxes**

The Organization is a not-for-profit organization that is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code and California Franchise Tax Board under Section 23701(d). Accordingly, no provision for income taxes is included in the financial statements. In addition, the Project has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code.

The Organization's federal and state income tax returns are subject to possible examination by the taxing authorities until the expiration of the related statutes of limitations on those tax returns. In general, the federal income tax returns have a three year statute of limitations, and the state income tax returns have a four year statute of limitations.

The Organization evaluates all significant tax positions. As of June 30, 2017 and 2016, the Organization does not believe that it has taken any positions that would require the recording of any additional tax liability nor does it believe that there are any unrealized tax benefits that would either increase or decrease within the next year. It is the Organization's policy to recognize any interest and penalties in the year incurred. There were no interest and penalties paid during the years ended June 30, 2017 and 2016.

**Functional Allocation of Expenses**

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

**Use of Estimates**

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

**Donated Services**

The value of donated services is not reflected in the accompanying financial statements since there are no objective basis available by which to measure the value of such services.

**Fair Value Measurement**

In accordance with U.S. generally accepted accounting principles, valuation techniques are based on observable and unobservable inputs. Observable inputs reflect readily obtainable data from independent sources, while unobservable inputs are internally derived, reflecting what the reporting entity believes to be market assumptions. U.S. generally accepted accounting principles classifies these inputs into the following hierarchy:

- Level One Inputs – Quoted prices for identical instruments in active market.
- Level Two Inputs – Quoted prices for identical instruments in active market; quoted prices for identical or similar instruments in markets that are not active; and model derived valuations whose inputs are observable or whose significant value drivers are observable.
- Level Three Inputs – Instruments with primarily unobservable value drivers.

**ORANGE COUNTY FAMILY JUSTICE CENTER FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**

**Years Ended June 30, 2017 and 2016**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Fair Value Measurement (continued)**

In adopting the fair value measurement in accordance with U.S. generally accepted accounting principles, related disclosures are segregated for assets and liabilities measured at fair value based on the level used within the hierarchy to determine their fair values. These standards do not have any financial impact on the Organization's financial statements.

**3. SUBSEQUENT EVENTS**

The Organization has evaluated events and transactions occurring subsequent to the statement of financial position date of June 30, 2017 for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through January 4, 2018, the date these financial statements were available to be issued. No such material events or transactions were noted to have occurred.