

ESSEX COUNTY
FAMILY JUSTICE CENTER, INC.

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

DECEMBER 31, 2022 AND 2021



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ESSEX COUNTY FAMILY JUSTICE CENTER, INC.

DECEMBER 31, 2022 AND 2021

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Essex County Family Justice Center, Inc.
Newark, New Jersey

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Essex County Family Justice Center, Inc. ("Organization") (a nonprofit corporation), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities and changes in net assets, 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 the Organization as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the 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.

Other Matter

The financial statements of the Organization as of December 31, 2021 were audited by Sobel & Co., LLC whose shareholders and professional staff joined CliftonLarsonAllen LLP as of February 1, 2023, and has subsequently ceased operations. Sobel & Co., LLC's report dated August 8, 2022 expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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 these 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 these 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 these 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 on page 15, 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. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 4, 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 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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Livingston, New Jersey
August 4, 2023

ESSEX COUNTY FAMILY JUSTICE CENTER, INC.
STATEMENTS OF FINANCIAL POSITION

	December 31,	
	2022	2021
ASSETS		
Cash	\$ 242,031	\$ 217,968
Grants receivable	170,232	208,293
	<u>\$ 412,263</u>	<u>\$ 426,261</u>
 LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable and accrued expenses	\$ 58,717	\$ 85,985
Line of credit	3,216	-
Deferred revenues	37,394	81,607
	<u>99,327</u>	<u>167,592</u>
 COMMITMENTS AND CONTINGENCIES		
NET ASSETS:		
Without donor restrictions:		
Board-designated	82,018	35,143
Undesignated	230,918	223,526
	<u>\$ 412,263</u>	<u>\$ 426,261</u>

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

ESSEX COUNTY FAMILY JUSTICE CENTER, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2022
(With Summarized, Comparative Totals for the Year Ended December 31, 2021)

	2022			2021 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
SUPPORT AND REVENUE:				
Contributions and grants:				
Individuals	\$ 44,373	\$ -	\$ 44,373	\$ 15,440
Government grants	1,074,504	-	1,074,504	961,253
Corporate, foundation and trust grants	74,500	-	74,500	110,900
In-kind contributions	170,660	-	170,660	158,076
Special fundraising events, net of direct expenses \$3,396 in 2021	-	-	-	4,858
Interest income	-	-	-	71
Total Support and Revenue	1,364,037	-	1,364,037	1,250,598
EXPENSES:				
Program services	899,902	-	899,902	802,665
Supporting services:				
Management and general	340,166	-	340,166	330,129
Fundraising	69,702	-	69,702	45,690
Total Supporting Services	409,868	-	409,868	375,819
Total Expenses	1,309,770	-	1,309,770	1,178,484
CHANGES IN NET ASSETS	54,267	-	54,267	72,114
NET ASSETS:				
Beginning of year	258,669	-	258,669	186,555
End of year	\$ 312,936	\$ -	\$ 312,936	\$ 258,669

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

ESSEX COUNTY FAMILY JUSTICE CENTER, INC.**STATEMENT OF FUNCTIONAL EXPENSES**

YEAR ENDED DECEMBER 31, 2022

(With Summarized, Comparative Totals for the Year Ended December 31, 2021)

	2022					2021 Total
	Supporting Services			Total Supporting Services	Total	
	Program Services	Management and General	Fundraising			
Salaries	\$ 445,140	\$ 216,123	\$ 49,506	\$ 265,629	\$ 710,769	\$ 607,424
Payroll taxes	35,842	17,402	3,986	21,388	57,230	47,441
Employee benefits	88,216	23,910	3,892	27,802	116,018	99,382
Professional fees	163,751	30,614	2,334	32,948	196,699	212,418
In-kind expense	125,151	36,976	8,533	45,509	170,660	158,076
Office expense	5,665	3,803	259	4,062	9,727	5,020
Telephone	10,562	3,120	720	3,840	14,402	18,346
Occupancy	9,275	6,058	-	6,058	15,333	5,507
Printing	106	31	7	38	144	246
Education	2,000	-	-	-	2,000	2,400
Insurance	6,818	2,014	465	2,479	9,297	6,825
Victims' aid	7,376	-	-	-	7,376	9,485
Miscellaneous expense	-	115	-	115	98	1,098
Total expenses before depreciation	899,902	340,166	69,702	409,868	1,309,753	1,173,668
Depreciation	-	-	-	-	-	4,816
Total Expenses	\$ 899,902	\$ 340,166	\$ 69,702	\$ 409,868	\$ 1,309,753	\$ 1,178,484

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

ESSEX COUNTY FAMILY JUSTICE CENTER, INC.
STATEMENTS OF CASH FLOWS

	Year Ended December 31,	
	2022	2021
CASH FLOWS PROVIDED BY:		
<u>OPERATING ACTIVITIES:</u>		
Changes in net assets	\$ 54,267	\$ 72,114
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	-	4,816
Changes in certain assets and liabilities:		
Grants receivable	38,061	(18,476)
Prepaid expenses	-	3,000
Accounts payable and accrued expenses	(27,268)	8,481
Deferred revenue	(44,213)	81,607
Net Cash Provided by Operating Activities	<u>20,847</u>	<u>151,542</u>
 <u>FINANCING ACTIVITIES:</u>		
Net borrowings from line of credit	<u>3,216</u>	<u>-</u>
 NET INCREASE IN CASH	 24,063	 151,542
 CASH:		
Beginning of year	<u>217,968</u>	<u>66,426</u>
End of year	<u>\$ 242,031</u>	<u>\$ 217,968</u>

ESSEX COUNTY FAMILY JUSTICE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 1 - NATURE OF ACTIVITIES:

Essex County Family Justice Center, Inc. (“Organization”) is the first Family Justice Center in the state of New Jersey and was established in 2010 to provide accessible and coordinated services to victims of domestic violence. The Family Justice Center Model is designed to reduce the barriers and fragmentation of existing services and meet the diverse needs of victims by bringing government and nongovernment agencies together in one place. The U.S. Department of Justice, Office on Violence Against Women, recognizes the Family Justice Center Model as a best practice in the field of domestic violence intervention and prevention.

The Organization’s main revenue sources are government grants, grants from corporations, foundations, and trusts, and contributions from the general public.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting:

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Adoption of New Accounting Standards:

In July 2020, the Financial Accounting Standards Board (FASB) issued accounting standard update (“ASU”) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, intended to increase the transparency of contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure. This ASU requires organizations to present contributed nonfinancial assets as a separate line item in the statements of activities and changes in net assets apart from contributions of cash or other financial assets. Additional disclosure is required regarding the valuation techniques used, as well as any donor restrictions for the contributed nonfinancial assets. The Organization adopted this ASU on January 1, 2022.

In February 2016, the FASB issued Accounting Standards Update 2016-02, *Leases* (ASC 842). The new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statements of financial position. Most prominent of the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Organization adopted the requirements of the guidance effective January 1, 2022, and has elected to apply the provisions of this standard to the beginning of the period of adoption, with certain practical expedients available.

ESSEX COUNTY FAMILY JUSTICE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Adoption of New Accounting Standards: (Continued)

The Organization has elected to adopt the package of practical expedients available in the year of adoption. The Organization has elected to adopt the available practical expedient to use hindsight in determining the lease term and in assessing impairment of the Organization's ROU assets. The Organization elected the available practical expedients to account for existing capital leases and operating leases as finance leases and operating leases, respectively, under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

The Organization did not have any material lease agreements during the year ended December 31, 2022.

Financial Statement Presentation:

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets not subject to donor-imposed stipulations.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions.

Grants Receivable:

Grants receivables are stated at the amount management expects to collect from outstanding balances. The Organization charges uncollectible grants receivable to operations when determined to be uncollectible based on historical trends. At December 31, 2022 and 2021, management determined an allowance for uncollectible grants receivable was not deemed necessary.

ESSEX COUNTY FAMILY JUSTICE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Property and Equipment:

Property and equipment is stated at cost on the date of acquisition, or fair value on the date of gift for donated assets. Significant additions, renewals, or betterments greater than \$2,500 are capitalized while replacements, maintenance, and repairs which do not improve or extend the life of an asset, are expensed.

Depreciation is recorded on a straight-line basis over the estimated useful lives as follows:

	<u>Estimated Useful Life</u>
Leasehold improvements	life of lease
Furniture and equipment	3-5 years

When assets are retired, or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in the change in net assets for the period.

Donated Services and Facilities:

Amounts are reported in the financial statements for voluntary donations of services when those services create or enhance nonfinancial assets or require specialized skills provided by individuals possessing those skills, and which typically would be purchased if not provided by donation. Donated services are recorded as contributions at their estimated fair value at the date of donation. The amount of donated security services for each of the years ended December 31, 2022 and 2021 was \$44,680, and is included in in-kind contributions and in-kind expense on the statement of activities and changes in net assets, and statement of functional expenses, respectively. The Organization also regularly receives services from volunteers who are not acting in a professional capacity. Such volunteer services do not meet the criteria for financial statement recognition and are not included in the financial statements.

The Organization receives donated office space, used for its program services and administrative offices, and parking space from Essex County at two separate locations in Newark, New Jersey. Donated facilities are recorded as contributions at their estimated fair value at the date of donation. The amount of donated office facilities for the each of the years ended December 31, 2022 and 2021 was \$113,396. Donated parking totaled \$12,584 for the year ended December 31, 2022. There was no donated parking recorded for the year ended December 31, 2021. Donated office space and parking are included in in-kind contributions and in-kind expense on the statement of activities and changes in net assets and statement of functional expenses, respectively.

ESSEX COUNTY FAMILY JUSTICE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Revenue Recognition:

Contributions are recognized as revenue when they are received or unconditionally pledged. Conditional contributions are not recognized until the conditions are substantially met or explicitly waived.

Contributions are recorded as revenue as either with or without donor restrictions according to donor stipulations that limit the use of these assets due to time or purpose restrictions. When a donor 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 statement of activities and changes in net assets as net assets released from restrictions. Contributions with restrictions that are met in the same reporting period as they are received are reported as unrestricted support.

Funds received from various federal, state and local agencies represent grants awarded to the Organization to provide program services. Revenue with respect to these awards is considered a conditional contribution and is not recognized until the conditions related to this revenue are substantially met. Funds received in advance of the conditions being satisfied are reported as deferred revenue in the statements of financial position. Amounts that are spent in accordance with contract requirements, but not yet received, are reported grants receivable in the statements of financial position.

Income Taxes:

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision has been made for federal or state income taxes.

The Organization follows accounting standards that provide clarification on accounting for uncertainty in income taxes recognized in the Organization's financial statements. The guidance prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken, or expected to be taken, in a tax return, and also provides guidance on derecognition, classification, interest and penalties, disclosure and transition. The Organization's policy is to recognize interest and penalties on unrecognized tax benefits in income tax expense. No interest or penalties were recorded during the years ended December 31, 2022 and 2021. At December 31, 2022 and 2021, there are no significant income tax uncertainties that are expected to have a material impact on the Organization's financial statements.

Use of Estimates:

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, 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 the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

ESSEX COUNTY FAMILY JUSTICE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Summarized, Comparative Financial Information:

The financial statements include certain prior-year, summarized, comparative information in total but not by net asset class or functional area. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2021, from which the summarized information was derived.

Subsequent Events:

The Organization has evaluated events subsequent to the statement of financial position date as of December 31, 2022 through August 4, 2023, the date that the financial statements were available to be issued.

NOTE 3 - GRANTS RECEIVABLE:

Grants receivable consist of the following:

	December 31,	
	2022	2021
New Jersey Victims' Assistance Grant	\$ 109,619	\$ 115,487
Improving Criminal Justice Responses Grant	35,851	59,540
Justice for Families Grant	9,478	8,722
Violence Against Women Act Grant	-	21,211
Office for Victims of Crime	15,284	-
Safe House	-	3,333
	<u>\$ 170,232</u>	<u>\$ 208,293</u>

NOTE 4 - PROPERTY AND EQUIPMENT:

Property and equipment consist of the following:

	December 31,	
	2022	2021
Leasehold improvements	\$ 27,936	\$ 27,936
Furniture and equipment	65,430	65,430
	<u>93,366</u>	<u>93,366</u>
Less: Accumulated depreciation	93,366	93,366
Property and Equipment, Net	<u>\$ -</u>	<u>\$ -</u>

ESSEX COUNTY FAMILY JUSTICE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 5 - LINE OF CREDIT:

The Organization has a revolving line of credit with a bank providing for maximum borrowings of \$100,000 through August 1, 2024. The line is secured by substantially all of the Organization's assets. Borrowings under the revolving line of credit bear interest at the bank's prime rate (7.50% at December 31, 2022). There were outstanding borrowings of \$3,216 as of December 31, 2022. There were no outstanding borrowings against the line of credit as of December 31, 2021.

NOTE 6 - BOARD-DESIGNATED NET ASSETS:

The Organization's Board of Trustees has designated funds totaling \$82,018 and \$35,143 as of December 31, 2022 and 2021, respectively, to create an internal line of credit to manage operating cash flow needs.

NOTE 7 - CONTRIBUTED NONFINANCIAL ASSETS:

Contributed nonfinancial assets received during the years ended December 31, 2022 and 2021, consisted of the following:

	Year Ended	
	December 31,	
	2022	2021
Use of program and administrative offices	\$ 113,396	\$ 113,396
Use of parking spaces	12,584	-
Security services	44,680	44,680
Total Contributed Nonfinancial Assets	<u>\$ 170,660</u>	<u>\$ 158,076</u>

Valuation techniques and inputs utilized in valuing these contributed nonfinancial assets are as follows:

Contributed Nonfinancial Asset	Valuation Techniques and Inputs
Use of program and administrative offices	Estimated based on fair market value of rent for similar properties in the same geographic
Use of parking spaces	Based on actual parking rates at the parking facility utilized
Security services	Based on actual rates charged by the sheriff's office providing the security

The Organization's policy related to gifts-in-kind is to utilize the assets and services received to carry out the mission of the Organization. All gifts-in-kind received by the Organization for the years ended December 31, 2022 and 2021 were without donor restrictions.

ESSEX COUNTY FAMILY JUSTICE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 8 - FUNCTIONAL EXPENSES:

Directly identifiable expenses are charged to programs and supporting services. Certain categories of expenses are attributed to more than one program or supporting function and, therefore, require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, payroll taxes, employee benefits, professional fees related to information technology, in-kind expenses, office expenses, telephone, occupancy, printing, and insurance, which are allocated based on time and effort.

NOTE 9 - COMMITMENTS AND CONTINGENCIES:

Operating Leases:

The Organization leased telephone equipment under an operating lease which expired in April 2021, at which time the Organization purchased the equipment. Rent expense totaled \$854 for the year ended December 31, 2021, and is included in office expense on the statement of functional expenses. There was no rent expense for the year ended December 31, 2022.

NOTE 10 - CONCENTRATIONS:

The Organization maintains cash balances at a financial institution. At times, cumulative balances may exceed the federally insured limit.

The Organization receives a large portion of its funding from various federal, state and local governmental agencies. The operations of the Organization are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies. Such administrative directives, rules and regulations are subject to changes that may occur because of inadequate funding with little notice to pay for the related costs, including the additional administrative burden, to comply with a change. A material reduction of such support could have a significant impact on the Organization's operations. Management, however, does not expect that its support will be materially reduced.

Approximately 79% and 77% of the Organization's total support and revenue for the years ended December 31, 2022 and 2021, respectively, were from government agencies.

ESSEX COUNTY FAMILY JUSTICE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 11 - LIQUIDITY AND AVAILABILITY:

The following represents the Organization's financial assets at December 31, 2022 and 2021, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions or internal designations.

	December 31,	
	2022	2021
Financial assets:		
Cash	\$ 242,031	\$ 217,968
Grants receivable	170,232	208,293
Total Financial Assets	<u>412,263</u>	<u>426,261</u>
Less Amounts Not Available to be Used Within One Year:		
Board-designated net assets	<u>(82,018)</u>	<u>(35,143)</u>
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	<u>\$ 330,245</u>	<u>\$ 391,118</u>

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization also has a line of credit that is fully available for operating needs. Board-designated net assets could be made available for operations through Board resolution, if necessary.

ESSEX COUNTY FAMILY JUSTICE CENTER, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2022

Grantor Pass-through Grantor/Program Title	ALN Number	Grant Number	Grant Period	Award Amount	Expenditures
U.S. Department of Justice Office on Violence Against Women					
Justice for Families Program	16.021	2015-FJ-AX-0023	10/1/2015 - 12/31/2022	\$ 1,050,000	\$ 104,676
Improving Criminal Justice Responses Program	16.590	2016-WE-AX-0004	10/1/2016 - 9/30/2023	1,750,000	221,702
U.S. Department of Justice Office of Justice Programs Office for Victims of Crime					
Crime Victim Assistance Discretionary Grants	16.582	15POVC-22-GK-04378-NONF	10/1/2022-09/30/2024	399,992	10,284
NJ Department of Law and Public Safety					
STOP VAWA Grant Program	16.588	VAWA 52-20	7/1/2021-6/30/2022	45,000	19,608
					19,608
Competitive Victim Assistance Grant (VAG) Program	16.575	VAG-47-20	9/17/2021-8/31/2023	275,000	142,115
Competitive Victim Assistance Grant (VAG) Program	16.575	VAG-49-20	9/17/2021-8/31/2023	275,000	141,151
Competitive Victim Assistance Grant (VAG) Program	16.575	VAG-48-20	9/17/2021-8/31/2023	275,000	140,755
					424,021
Total Expenditures of Federal Awards					\$ 780,291

See independent auditors' report and notes to the schedule of expenditures of federal awards.

ESSEX COUNTY FAMILY JUSTICE CENTER, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Essex County Family Justice Center, Inc. ("Organization") and is presented on the accrual basis of accounting. 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*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

NOTE 2 - SUBRECIPIENTS:

During the year ended December 31, 2022, the Organization did not provide any funds relating to their federal or state programs to subrecipients.

NOTE 3 - INDIRECT COSTS:

The Organization elected to use the de minimis cost rate when allocating indirect costs to federal and state programs.

NOTE 4 - LOAN AND LOAN GUARANTEE PROGRAMS:

As of December 31, 2022, the Organization did not have any loan or loan guarantee programs.



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 Trustees
Essex County Family Justice Center, Inc.
Newark, New Jersey

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 Essex County Family Justice Center, Inc. ("Organization"), (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 4, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".**CliftonLarsonAllen LLP**

Livingston, New Jersey
August 4, 2023



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

To the Board of Trustees
Essex County Family Justice Center, Inc.
Newark, New Jersey

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Essex County Family Justice Center, Inc.'s ("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 December 31, 2022. The Organization's major federal programs are identified in the Summary of Auditors' Results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Livingston, New Jersey
August 4, 2023

ESSEX COUNTY FAMILY JUSTICE CENTER, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2022

I. Summary of Auditors' Results

Financial Statements

The auditors' report issued on the basic financial statements of Essex County Family Justice Center, Inc. was an unmodified opinion.

Internal control over financial reporting:

- Material weaknesses identified? Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes No

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weaknesses identified? Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes No

The auditors' report issued on compliance for major programs was an unmodified opinion.

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? Yes No

The following federal programs were designated as major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
16.575	Competitive Victim Assistance Grant (VAG) Programs

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

ESSEX COUNTY FAMILY JUSTICE CENTER, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2022

II. Summary of Auditors' Results (Continued)

Auditee qualified as a low-risk auditee? X Yes No

III. Financial Statement Findings

NONE

IV. Compliance Findings

NONE

V. Follow-up of Prior Audit Findings

NONE