



FAMILY CAREGIVER ALLIANCE®
National Center on Caregiving

Family Caregiver Alliance

Financial Statements

For the years ended June 30, 2019 and 2018

and

Schedule of Expenditures of Federal Awards

with the

Report of the Independent Auditor

and

Reports Required by “Government Auditing Standards,” issued by the
Comptroller General of the United States of America and
Title 2 U.S. “Code of Federal Regulations” Part 200, “Uniform Administrative Requirements,
Cost Principles, and Audit Requirements for Federal Awards”



Report of the Independent Auditor

To the Board of Directors of **Family Caregiver Alliance**:

Report on the Financial Statements

I have audited the accompanying financial statements of Family Caregiver Alliance, a nonprofit organization, which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; 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.

Responsibility of the Auditor

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my 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 of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 my 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, I consider internal control relevant to the preparation and fair presentation of the financial statements by Family Caregiver Alliance to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Family Caregiver Alliance as of June 30, 2019 and 2018, and the changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Supplementary Information

I conducted my audit to form an opinion on the financial statements as a whole. Management presents the accompanying schedule of expenditures of federal awards (schedule) for additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" and it is not a required part of the financial statements. The schedule is the responsibility of management and they derived it from, and it relates directly to the underlying accounting and other records used to prepare the financial statements. I have subjected the schedule to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling the schedule 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 my opinion, the schedule 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," I have also issued my report dated February 19, 2020, on my consideration of the internal control over financial reporting of Family Care-giver Alliance and on my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 internal control over financial reporting and compliance of Family Caregiver Alliance.

Michael Smith, CPA
Petaluma, California
February 19, 2020

Family Caregiver Alliance
 Statements of Financial Position
 June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and cash equivalents	\$ 256,111	\$ 135,235
Investments	876,746	535,165
Contributions receivable	219,017	361,376
Grants receivable	1,079,497	765,579
Other receivables	11,173	58,750
Prepaid expenses	20,381	46,573
Investments, long-term	132,451	193,429
Contributions receivable, long-term	–	111,067
Property and equipment, net	6,021	14,528
Computer software, net	63,782	86,765
Deposits	32,356	42,554
	<u> </u>	<u> </u>
Total assets	<u>\$2,697,535</u>	<u>\$2,351,021</u>
 Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 449,304	\$ 369,166
Deferred rent	6,747	559
	<u> </u>	<u> </u>
Total liabilities	456,051	369,725
 Net assets		
Without donor restrictions	1,387,568	1,001,304
With donor restrictions	853,916	979,992
	<u> </u>	<u> </u>
Total net assets	<u>2,241,484</u>	<u>1,981,296</u>
	<u> </u>	<u> </u>
Total liabilities and net assets	<u>\$2,697,535</u>	<u>\$2,351,021</u>

See accompanying notes.

Family Caregiver Alliance
 Statements of Activities and Changes in Net Assets
 For the year ended June 30, 2019

	Net assets without donor restrictions	Net assets with donor restrictions	2019
Support and revenue			
Contributions	\$ 577,083	\$318,069	\$ 895,152
Government grants	2,582,370	–	2,582,370
Contract revenue	97,173	–	97,173
Other income	8,731	–	8,731
Investment income, net	6,427	18,288	24,715
Net assets released from restrictions	462,433	(462,433)	–
 Total support and revenue	 3,734,217	 (126,076)	 3,608,141
 Expenses			
Program services	2,890,345	–	2,890,345
Management and general	433,087	–	433,087
Fundraising	24,521	–	24,521
 Total expenses	 3,347,953	 –	 3,347,953
 Changes in net assets	 386,264	 (126,076)	 260,188
 Net assets, beginning of year	 1,001,304	 979,992	 1,981,296
 Net assets, end of year	 \$1,387,568	 \$853,916	 \$2,241,484

See accompanying notes.

Family Caregiver Alliance
 Statements of Activities and Changes in Net Assets
 For the year ended June 30, 2018

	Net assets without donor restrictions	Net assets with donor restrictions	2018
Support and revenue			
Contributions	\$ 680,058	\$1,090,607	\$1,770,665
Government contracts	1,811,392	–	1,811,392
Contract revenue	85,000	–	85,000
Other income	9,265	–	9,265
Investment income, net	15,436	1,843	17,279
Net assets released from restrictions	484,794	(484,794)	–
Total support and revenue	3,085,945	607,656	3,693,601
Expenses			
Program services	2,316,732	–	2,316,732
Management and general	473,214	–	473,214
Fundraising	21,959	–	21,959
Total expenses	2,811,905	–	2,811,905
Changes in net assets	274,040	607,656	881,696
Net assets, beginning of year	727,264	372,336	1,099,600
Net assets, end of year	\$1,001,304	\$ 979,992	\$1,981,296

See accompanying notes.

Family Caregiver Alliance
 Statements of Functional Expenses
 For the year ended June 30, 2019

Expenses	Program services	Manage- ment and general	Fund- raising	2019
Salaries	\$ 858,131	\$242,379	\$14,264	\$1,114,774
Payroll taxes	66,946	18,909	1,113	86,968
Employee benefits	214,759	58,949	3,506	277,214
Alzheimer's Disease Caregiving Legacy Awards	60,000	—	—	60,000
Communications	37,321	9,884	546	47,751
Equipment	30,368	8,578	505	39,451
Family support services	631,966	—	—	631,966
Insurance	5,845	5,640	97	11,582
Occupancy	179,516	50,706	2,984	233,206
Office	46,621	6,500	160	53,281
Postage and delivery	6,259	2,177	869	9,305
Printing	3,306	94	368	3,768
Program fees and consultants	139,593	1,500	—	141,093
Publications and translations	40,238	—	—	40,238
Subcontractors	486,877	17,500	—	504,377
Travel and conferences	53,067	8,421	—	61,488
Depreciation	6,548	1,850	109	8,507
Amortization	22,984	—	—	22,984
Total expenses	\$2,890,345	\$433,087	\$24,521	\$3,349,972

See accompanying notes.

Family Caregiver Alliance
 Statements of Functional Expenses
 For the year ended June 30, 2018

Expenses	Program services	Manage- ment and general	Fund- raising	2018
Salaries	\$ 741,204	\$285,302	\$13,724	\$1,040,230
Payroll taxes	56,111	21,598	1,039	78,748
Employee benefits	128,132	48,324	2,364	178,820
Alzheimer's Disease Caregiving Legacy Awards	60,000	—	—	60,000
Communications	35,301	12,841	589	48,731
Equipment	18,928	7,285	350	26,563
Family support services	386,242	—	—	386,242
Insurance	4,910	5,592	91	10,593
Occupancy	132,716	51,085	2,457	186,258
Office	35,565	6,785	351	42,701
Postage and delivery	4,099	569	793	5,461
Printing	4,065	373	6	4,444
Program fees and consultants	85,236	—	—	85,236
Subcontractors	554,453	17,232	—	571,685
Travel and conferences	36,261	12,176	—	48,437
Depreciation	10,525	4,052	195	14,772
Amortization	22,984	—	—	22,984
Total expenses	\$2,316,732	\$473,214	\$21,959	\$2,813,923

See accompanying notes.

Family Caregiver Alliance
Statements of Cash Flows
For the years ended June 30, 2019 and 2018

	2019	2018
Cash flows from operating activities		
Change in net assets	\$ 260,188	\$881,696
Adjustments to reconcile the change in net assets to net cash provided by operating activities		
Depreciation	8,507	14,772
Amortization	22,984	22,984
Contributions to endowment	–	(200,620)
Contributions of investments	–	(200,620)
Realized loss (gain) from sale of and unrealized depreciation (appreciation) from holding investments	4,282	(3,601)
Changes in assets and liabilities		
Contributions receivable	253,426	(472,443)
Grants receivable	(313,918)	(483,735)
Other receivables	47,577	26,000
Prepaid expenses	26,192	(7,603)
Accounts payable and accrued expenses	80,138	168,829
Deferred rent	6,188	(4,505)
Net cash provided (used) by operating activities	395,564	(258,846)
Cash flows from investing activities		
Proceeds from sale of investments	1,274,000	981,549
Purchases of investments	(1,558,885)	(930,121)
Capitalization of computer software costs	–	(2,748)
Net change in deposits	10,197	(23,901)
Net cash (used) provided by investing activities	(274,688)	24,779
Cash flows from financing activities		
Contributions to endowment	–	200,620
Net cash provided by financing activities	–	200,620
Net change in cash and cash equivalents	120,876	(234,067)
Cash and cash equivalents, beginning of year	135,235	168,682
Cash and cash equivalents, end of year	\$ 256,111	\$135,235

See accompanying notes.

Family Caregiver Alliance
Notes to Financial Statements
June 30, 2019

Note 1 – Basis of Presentation

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 those they care for through information, services and advocacy.

Programs and activities

FCA empowers and sustains the critical work those providing long-term care for family and/or friends at home. FCA CareJourney, an innovative online virtual caregiver resource center, is serving to expand our capacity to deliver trusted information, education and support services in response to caregiver demand for FCA resources across the nation.

The Dignity Fund – an initiative passed by voters in San Francisco CA to better fund services for senior and disabled citizens – is making it possible for FCA to double down on our delivery of respite care to caregivers in need and to reach isolated Asian (primarily Chinese and Vietnamese speaking) family caregivers, and those trying to navigate life with low literacy skills.

The shared common challenges of those who care, including adult children, spouses, partners, other relatives and friends, include isolation, lack of information, major upheaval in family and work life and financial strain and they receive marginal recognition of their important role by doctors, healthcare institutions and others. These obstacles conspire to put the health and well-being of the caregiver at risk.

FCA reaching caregivers by the numbers:

In June 2019 the Caregiver Resource Center's received a three-year budget augmentation of \$30M (\$10M/year over 3 years: FY 2019-20 to FY 2021-22) from the state of California.

The augmentation which increases the total annual appropriation for support for caregiving families to \$15M/year, will be used to expand and improve family caregiver services and improve CRC information technology systems. FCA's caregiver support portal and interactive client record system will be deployed statewide to capture and report CRC care recipient and caregiver data (demographics, care recipient direct care needs, caregiver CRC service needs and usage; caregiver assessments).

15,000 – In-home caregiver (unduplicated) consultations for direct services (caregiver assessment, education and skill building, emotional support and care management and planning) and stipends provided for legal and financial consultation, respite and therapeutic counseling in the San Francisco Bay Area since inception.

Family Caregiver Alliance
Notes to Financial Statements
June 30, 2019

Note 1 – Basis of Presentation (continued)

24,000 – Respite Care (temporary time away from caregiving) hours provided in the San Francisco Bay Area annually.

Low literacy and non-English speaking individuals can now listen to FCA factsheets: Caregiving 101: On Being a Caregiver, and Caregiver’s Guide to Understanding Dementia in English, Chinese (Cantonese & Mandarin), Spanish and Vietnamese on <https://www.caregiver.org>. Use of two-way videoconferencing to conduct caregiver assessments, counseling, support groups and caregiver classes is increasing access to FCA services.

3,600,000 – New visitors to FCA’s website <https://www.caregiver.org> annually.

FCA seeks to strengthen the caregiver and their family’s trajectory for providing care by delivering or linking them with necessary services and support to enable them to care successfully for their loved one and for themselves.

Specifically, FCA delivers programs locally, regionally and nationally to support family caregivers. As the Bay Area Caregiver Resource Center, FCA provides a range of caregiver education resources and services including:

- In-depth comprehensive caregiver assessment (in-person, online and by phone)
- Care planning specific to the caregiver’s need
- Caregiver classes on a wide variety of topics including managing dementia care behaviors, stress management, self-care for caregivers, problem solving and decision-making skills (in person and online)
- Respite care (in-home, adult day care, overnight and Camp for Caring)
- Legal and financial guidance (fact and tip sheets and vouchers for consultation with an attorney)
- Individual and family counseling
- Caregiver support groups (in-person and online)
- Information and referrals.
- FCA maintains an ever-growing and often-referenced, peer reviewed library of caregiver fact and tip sheets available online for caregivers and professionals to access at their convenience.

FCA established the National Center on Caregiving (NCC) in 2001, to respond to requests from state governments and other public and private organizations nationally seeking consultation on how to meet the needs of caregivers in their state effectively. Today, FCA is actively working to

Family Caregiver Alliance
Notes to Financial Statements
June 30, 2019

Note 1 – Basis of Presentation (continued)

build policy to improve support for caregivers by working with the Administration on Aging and the Center for Medicaid and Medicare and through partnerships with AARP and other key leaders in the health and long-term care services and support arenas.

The majority of the people FCA serves are caring for someone living with a cognitive impairment, including Alzheimer's, Frontotemporal dementia, vascular dementia, Parkinson's disease, stroke, traumatic brain injury and brain tumors. About 30% of the people FCA serves are caring for someone with critical conditions such as heart and lung diseases, neuromuscular conditions, hypertension, advanced arthritis, diabetes or severe depression. Often, the care receiver is living with multiple conditions. A smaller but significant percentage of caregiver clients are actively caring for more than one person.

FCA engages in advocacy for policies and programs of direct benefit to family caregivers nationwide. Working collaboratively and across broad coalitions, FCA has helped to achieve funding for the statewide system of California Caregiver Resource Centers and California's Paid Family Leave benefit. National advocacy efforts have resulted in changes in rules governing assessment of family caregivers for Medicaid waiver programs and respite rules. FCA personnel are often asked to participate on expert panels related to caregiving topics for use in policy formulation, product development and system improvement in private and public sectors.

Note 2 – Summary of Significant Accounting Policies

Basis of accounting

FCA prepares its financial statements using accounting principles generally accepted in the United States of America (US-GAAP). FCA records contributions when promised, revenues when earned and expenses when incurring the related obligation. FCA recognizes revenues from reimbursable cost contracts when incurring the related expenses.

Fair value

FCA uses a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority. Level 2 inputs consist of observable inputs other than quoted prices for identical assets. Level 3 inputs consist of unobservable inputs that reflect internal judgments and have the lowest priority. FCA uses appropriate valuation techniques based on the available inputs to measure the fair value of its contributions and investments. When available, FCA measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. FCA only uses Level 3 inputs when Level 1 or Level 2 inputs are not available.

Family Caregiver Alliance
Notes to Financial Statements
June 30, 2019

Note 2 – Summary of Significant Accounting Policies (continued)

Cash and cash equivalents

Cash and cash equivalents consist principally of amounts on hand and on deposit with a commercial bank, available on demand. At various times during the years ended June 30, 2019 and 2018, FCA had deposits with a commercial bank in excess of federal deposit insurance limits.

Investments

Investments consist principally of cash, common stock and registered investment company shares (mutual funds). FCA states its investments at fair value. Net investment income consists of interest, dividends, realized gains and losses and unrealized appreciation and depreciation. As of June 30, 2019 and 2018, investments held by one custodian totaled 75% and 64% of total investments, respectively. Investments are not federally insured.

Contributions receivable

Contributions receivable consist of amounts due from unconditional promises to give. FCA values unconditional promises to give at fair value, when promised. All contributions receivable are due within the year ending June 30, 2020.

Grants receivable

Grants receivable consist of amounts due under conditional cost-reimbursement government grants and contracts. All grants receivable are due within the year ending June 30, 2020.

Allowance for uncollectible receivables

FCA uses the allowance method to account for uncollectible receivables. Under this method, FCA reviews all receivables for any problems with collectability. If FCA feels that there may be a problem with collection, FCA provides an allowance for the receivable. When attempts to collect a specific receivable are unsuccessful, FCA considers the receivable uncollectible and writes it off against the allowance. As of June 30, 2019 and 2018, FCA concluded that an allowance for uncollectible receivables was not necessary.

Property and equipment

Property and equipment consist of furniture, software, computer and office equipment and leasehold improvements. FCA capitalizes property and equipment with an initial cost (or fair value when contributed) of \$2,500 and an estimated useful life exceeding one year. FCA calculates depreciation using the straight-line method over the estimated useful lives of the property and equipment, or the shorter remaining term of the lease for leasehold improvements.

Computer software costs

During the year ended June 30, 2017, FCA completed development of its CareJourney portal for caregivers and counselors. FCA established the technological feasibility of CareJourney during

Family Caregiver Alliance
Notes to Financial Statements
June 30, 2019

Note 2 – Summary of Significant Accounting Policies (continued)

September 2016 and released CareJourney for sale to customers during February 2017. Accordingly, FCA expensed research and development costs related to CareJourney incurred 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.

Net assets

Net assets without donor restrictions are not subject to donor-imposed 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 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.

Contributions

Contributions consist of unconditional promises to give, which FCA records at fair value, and classifies based on the existence or absence of any donor restrictions.

Government grants

Government grant support consists principally of conditional cost-reimbursement government grants and contracts. FCA does not recognize support from these grants and contracts until it fulfills the condition; generally, by expending allowable costs, including matching, and performing services to accomplish the requirements of the grants and contracts.

Cost allocation

FCA summarizes the costs of its activities on a functional basis. FCA allocates direct costs of its various program and supporting services to the activity benefitted. FCA allocates indirect costs on a reasonable basis that is consistently applied. FCA allocates compensation costs based on actual and estimated personnel time expended on each activity. FCA allocates employee benefits, payroll taxes and certain other indirect costs based on allocated compensation costs. FCA allocates all other indirect costs based on an analysis of each category or item of cost when incurred.

Income taxes

The Internal Revenue Service (IRS) and Franchise Tax Board (FTB) have advised FCA that it is exempt from federal income and state franchise taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the Revenue and Taxation Code of the State of California, respectively. In addition, FCA has been classified as other than a private foundation under

Family Caregiver Alliance
Notes to Financial Statements
June 30, 2019

Note 2 – Summary of Significant Accounting Policies (continued)

Internal Revenue Codes Section 509(a)(1). Accordingly, donors are entitled to the maximum charitable contribution allowed by law. Management believes that no activities of FCA jeopardized its exemption from income taxes or its classification as a “public charity.” Consequently, FCA provided no income tax provision.

FCA files information returns with the IRS and FTB, which are generally open to examination three years and four years after filing, respectively.

Use of estimates

The preparation of financial statements in conformity with US-GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent events

Management has evaluated subsequent events for recognition and disclosure through February 19, 2020, the date the financial statements were available for issuance. Management concluded that no material subsequent events have occurred since June 30, 2019, which would require recognition or disclosure.

Note 3 – Investments

As of June 30, 2019 and 2018, investments totaled as follows:

	<u>2019</u>	<u>2018</u>
<u>Cost</u>		
Cash and cash equivalents	\$ 168,349	\$ 66,149
<u>Level 1</u>		
Common stock	86,972	196,279
Money market mutual fund	449,142	181,786
Bond index mutual fund	159,230	147,637
Global equities mutual fund	<u>145,504</u>	<u>136,743</u>
Total Level 1 investments	<u>840,848</u>	<u>662,445</u>
Total investments	1,009,197	728,594
Current investments	<u>876,746</u>	<u>535,165</u>
Long-term	<u>\$ 132,451</u>	<u>\$193,429</u>

Family Caregiver Alliance
Notes to Financial Statements
June 30, 2019

Note 3 – Investments (continued)

During the years ended June 30, 2019 and 2018, FCA did not transfer investments among fair value input levels.

During the years ended June 30, 2019 and 2018, net investment income totaled as follows:

	<u>2019</u>	<u>2018</u>
Interest	\$ 113	\$ 106
Dividends	28,884	13,572
Realized gain	11,492	10,124
Unrealized (depreciation) appreciation	(<u>15,774</u>)	(<u>6,523</u>)
Investment income, net	<u>\$24,715</u>	<u>\$17,279</u>

Note 4 – Contributions receivable

As of June 30, 2019 and 2018, contributions receivable totaled as follows:

	<u>2019</u>	<u>2018</u>
Bader Philanthropies, Inc.	\$ 65,000	\$ –
The Foster Family Foundation	–	25,000
The John A. Hartford Foundation	111,067	227,443
Northern California Community Loan Fund	42,950	–
Thomas J. Long Foundation	<u>–</u>	<u>220,000</u>
Total contributions receivable	219,017	472,443
Current	<u>219,017</u>	<u>361,376</u>
Long-term	<u>\$ –</u>	<u>\$111,067</u>

Family Caregiver Alliance
Notes to Financial Statements
June 30, 2019

Note 5 – Grants Receivable

As of June 30, 2019 and 2018, grants receivable totaled as follows:

	<u>2019</u>	<u>2018</u>
County of Alameda	\$ 79,965	\$ 32,048
State of California	203,457	159,978
County of Contra Costa	88,088	38,918
County of Marin through the Alzheimer's Disease and Related Disorders Association	2,650	4,688
City and County of San Francisco	627,953	481,062
County of San Mateo	<u>77,384</u>	<u>48,885</u>
Total grants receivable	<u>\$1,079,497</u>	<u>\$765,579</u>

Note 6 – Other Receivables

As of June 30, 2019 and 2018, other receivables totaled as follows:

	<u>2019</u>	<u>2018</u>
Alzheimer's Disease and Related Disorders Association	\$ –	\$ 8,750
Del Mar Caregiver Resource Center	5,000	–
University of Southern California	6,000	50,000
Others	<u>173</u>	<u>–</u>
Total other receivables	<u>\$11,173</u>	<u>\$58,750</u>

All other receivables are due within the year ending June 30, 2020.

Family Caregiver Alliance
Notes to Financial Statements
June 30, 2019

Note 7 – Property and Equipment

As of June 30, 2019 and 2018, property and equipment totaled as follows:

	<u>2019</u>	<u>2018</u>
Furniture	\$ –	\$ 46,637
Software, computer and office equipment	84,805	139,699
Leasehold improvements	<u>–</u>	<u>27,827</u>
Total property and equipment	84,805	214,163
Less accumulated depreciation	<u>78,784</u>	<u>199,635</u>
Property and equipment, net	<u>\$ 6,021</u>	<u>\$ 14,528</u>

Note 8 – Computer Software Costs

As of June 30, 2019 and 2018, capitalized computer software costs totaled as follows:

	<u>2019</u>	<u>2018</u>
CareJourney	\$119,326	\$119,326
Less accumulated amortization	<u>55,544</u>	<u>32,561</u>
Computer software, net	<u>\$ 63,782</u>	<u>\$ 86,765</u>

During the years ending June 30, expected amortization of capitalized computer software costs totals as follows:

2020	\$22,984
2021	22,984
2022	17,814

Note 9 – Bank Credit Line

FCA has available a revolving bank credit line of \$150,000 from a commercial bank. There were no borrowings due as of June 30, 2019 or 2018. Receivables secure the bank credit line. Amortized principal and fixed interest (at 11.50%) payments are due monthly. The bank credit line is subject to annual approval and renewal by the commercial bank, which last occurred effective November 1, 2019.

Family Caregiver Alliance
Notes to Financial Statements
June 30, 2019

Note 10 – Net Assets with Donor Restrictions

During the year ended June 30, 2019, net assets with donor restrictions reconciled as follows:

<u>Purpose</u>	<u>Beginning</u>	<u>Additions</u>	<u>Releases</u>	<u>Ending</u>
Caregiver Connect: Alameda and Contra Costa Counties	\$422,688	\$ –	\$102,338	\$320,350
Dementia Capable Supports and Services Initiative	7,883	–	699	7,184
Family Caregiver Respite and Counseling	40,606	10,119	15,014	35,711
Family Caregiver Training	14,349	–	–	14,349
Family Caregiving Clearinghouse	5,907	–	–	5,907
Innovations in Alzheimer's Disease Caregiving Legacy Award	–	195,000	130,000	65,000
Medication Management Materials	–	70,000	350	69,650
Office move	–	42,950	42,950	–
Online Resource for Comparing Evidence-Based Dementia Caregiving	286,096	–	126,933	159,163
Term endowment	<u>202,463</u>	<u>18,288</u>	<u>44,149</u>	<u>176,602</u>
Totals	<u>\$979,992</u>	<u>\$336,357</u>	<u>\$462,433</u>	<u>\$853,916</u>

During the year ended June 30, 2018, net assets with donor restrictions reconciled as follows:

<u>Purpose</u>	<u>Beginning</u>	<u>Additions</u>	<u>Releases</u>	<u>Ending</u>
Caregiver Connect: Alameda and Contra Costa Counties	\$ –	\$ 440,000	\$ 17,312	\$422,688
Dementia Capable Supports and Services Initiative	8,628	–	745	7,883
Family Caregiver Respite and Counseling	34,776	19,055	13,225	40,606
Family Caregiver Training	14,349	–	–	14,349
Family Caregiving Clearinghouse	5,907	–	–	5,907
Innovations in Alzheimer's Disease Caregiving Legacy Award	–	120,000	120,000	–
Medication Management Materials	50,000	–	50,000	–
Online Learning Communities	258,676	–	258,676	–
Online Resource for Comparing Evidence-Based Dementia Caregiving	–	310,932	24,836	286,096
Term endowment	<u>–</u>	<u>202,463</u>	<u>–</u>	<u>202,463</u>
Totals	<u>\$372,336</u>	<u>\$1,092,450</u>	<u>\$484,794</u>	<u>\$979,992</u>

Family Caregiver Alliance
Notes to Financial Statements
June 30, 2019

Note 11 – Endowment

FCA follows Financial Accounting Standards Board (FASB) Accounting Standards Codification (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.

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 accumulations 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.

As of June 30, 2019, endowment funds totaled as follows:

	Net assets without donor <u>restrictions</u>	Net assets with donor <u>restrictions</u>	<u>Totals</u>
Board designated	\$832,595	\$ –	\$ 832,595
Donor restricted – Term endowment	<u>–</u>	<u>176,602</u>	<u>176,602</u>
Total endowment funds	<u>\$832,595</u>	<u>\$176,602</u>	<u>\$1,009,197</u>

Family Caregiver Alliance
Notes to Financial Statements
June 30, 2019

Note 11 – Endowment (continued)

During the years ended June 30, 2019, endowment funds reconciled as follows:

	Net assets without donor <u>restrictions</u>	Net assets with donor <u>restrictions</u>	<u>Totals</u>
Beginning of year	\$ 526,131	\$202,463	\$ 728,594
Dividends	25,317	3,567	28,884
Realized gain	–	11,492	11,492
Unrealized appreciation (depreciation)	(19,003)	3,229	(15,774)
Appropriated for expenditures	(1,229,850)	(44,149)	(1,273,999)
Board designations	<u>1,530,000</u>	<u>–</u>	<u>1,530,000</u>
End of year	<u>\$ 832,595</u>	<u>\$176,602</u>	<u>\$1,009,197</u>

As of June 30, 2018, endowment funds totaled as follows:

	Net assets without donor <u>restrictions</u>	Net assets with donor <u>restrictions</u>	<u>Totals</u>
Board designated	\$526,131	\$ –	\$526,131
Donor restricted – Term endowment	<u>–</u>	<u>202,463</u>	<u>202,463</u>
Total endowment funds	<u>\$526,131</u>	<u>\$202,463</u>	<u>\$728,594</u>

During the years ended June 30, 2018, endowment funds reconciled as follows:

	Net assets without donor <u>restrictions</u>	Net assets with donor <u>restrictions</u>	<u>Totals</u>
Beginning of year	\$575,801	\$ –	\$575,801
Contributions	–	200,620	200,620
Dividends	11,729	1,843	13,572
Realized gain	10,124	–	10,124
Unrealized depreciation	668	(7,191)	(6,523)
Donor restricted endowment fund deficiency	(7,191)	7,191	–
Appropriated for expenditures	(935,000)	–	(935,000)
Board designations	<u>870,000</u>	<u>–</u>	<u>870,000</u>
End of year	<u>\$526,131</u>	<u>\$202,463</u>	<u>\$728,594</u>

Family Caregiver Alliance
Notes to Financial Statements
June 30, 2019

Note 11 – Endowment (continued)

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, 2019 and 2018, the deficiency totaled \$-0- and \$7,191, respectively.

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.

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 redesignation at any time, including redesignation as other than endowment funds.

Family Caregiver Alliance
Notes to Financial Statements
June 30, 2019

Note 12 – Government Grants

During the years ended June 30, 2019 and 2018, FCA met the conditions under certain government grants and recognized support as follows:

	<u>2019</u>	<u>2018</u>
County of Alameda	\$ 154,528	\$125,292
State of California	483,849	483,849
County of Contra Costa	181,005	125,306
County of Marin through the Alzheimer's Disease and Related Disorders Association	19,700	15,300
City and County of San Francisco	1,571,650	939,191
County of San Mateo	<u>171,638</u>	<u>122,454</u>
Total government grant support	<u>\$2,582,370</u>	<u>\$1,811,392</u>

Government grant support may be subject to audit or review by the governmental agencies. Management believes that FCA has complied with all aspects of grant and contract provisions and disallowed costs, if any, would be insignificant to its financial position.

Note 13 – Liquidity and Availability of Financial Assets

As of June 30, 2019, financial assets, reduced by amounts not available for general use because of contractual or donor-imposed restrictions, reconcile as follows:

<u>Financial assets</u>	
Cash and cash equivalents	\$ 256,111
Investments	876,746
Contributions receivable	219,017
Grants receivable	1,079,497
Other receivables	<u>11,173</u>
Total financial assets	2,442,544
<u>Amounts unavailable for general expenditures within one year</u>	
Net assets with donor restrictions	853,916
Net assets with donor restrictions not in financial assets	(<u>132,451</u>)
Total amounts unavailable for general expenditures within one year	<u>721,465</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$1,721,079</u>

Family Caregiver Alliance
Notes to Financial Statements
June 30, 2019

Note 13 – Liquidity and Availability of Financial Assets (continued)

FCA liquidity management involves monthly forecasts of cash flows from operating and investing activities for the following sixty-day period. Quarterly, liquidity is reviewed by 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 (Note 9) to meet short-term cash deficits. Certain investments include funds designated by the Board of Directors to function as endowments (Note 11).

Note 14 – Lease Commitment

During the years ended June 30, 2019 and 2018, FCA leased office space under operating leases that expired May 31, 2018, and will expire June 30, 2021. Required future minimum lease payments for the years ending June 30 total as follows:

2020	\$216,686
2021	<u>223,186</u>
Required future minimum lease payments	<u>\$439,872</u>

Occupancy costs include storage and other operating costs. During the years ended June 30, 2019 and 2018, rent expense totaled \$229,897 and \$162,993, respectively.

Note 15 – Employee Retirement Plan

FCA offers a defined contribution retirement plan for the benefit of its eligible employees under section 403(b) of the Internal Revenue Code (IRC). 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, 2019 and 2018, FCA matched 25% of the first \$10,000 of eligible employee deferrals. During the years ended June 30, 2019 and 2018, FCA matching contributions totaled \$34,590 and \$32,010, respectively.

Family Caregiver Alliance
Notes to Financial Statements
June 30, 2019

Note 16 – Related Party Transactions

FCA served as the fiscal agent for an entity whose president is a member of the Board of Directors. During the year ended June 30, 2018, FCA received grants totaling \$20,000, remitted \$19,000 to the entity and retained \$1,000 in fees, included in other income.

Note 17 – Adoption of a New Accounting Standard

During the year ended June 30, 2019, FCA adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, “Presentation of Financial Statements of Not-for-Profit Entities.” FASB ASU 2016-14 requires FCA to rename unrestricted net assets to net assets without donor restrictions and consolidate temporarily restricted net assets and permanently restricted net assets and rename them net assets with donor restrictions. In addition, FASB ASU 2016-14 requires FCA to provide additional information regarding its funds designated by the Board of Directors to function as endowments (Note 11), qualitative information that communicates how FCA manages its liquid resources available to meet cash needs for general expenditures within one year (Note 13) and quantitative information and additional qualitative information that communicates the availability of financial assets as of the end of the year to meet cash needs for general expenditures within one year (Note 13).

Schedule of Expenditures of Federal Awards

Family Caregiver Alliance
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2019

Grantors, awards and Pass-through entities	Contract numbers	CFDA	Gross expenditures	Matching	Net expenditures	Federal share	County share	Paid to subrecipients
U.S. Department of Health and Human Services								
National Family Caregiver Support, Title III, Part E								
State of California, County of								
Alameda	900175	93.052	\$ 214,102	\$ 59,574	\$ 154,528	\$ 141,131	\$ 13,397	\$ -
Contra Costa	40-368-4	93.052	282,794	101,789	181,005	181,005	-	-
San Mateo	57000-19-R075902N	93.052	227,664	56,026	171,638	158,395	13,243	-
San Francisco	207607	93.052	1,003,716	207,066	796,650	551,133	245,517	205,201
Marin through the Alzheimer's Disease and Related Disorders Association								
	FCSP-FY2018-19	93.052	19,700	-	19,700	19,700	-	-
Totals			\$1,747,976	\$424,455	\$1,323,521	\$1,051,364	\$272,157	\$205,201

Notes to the Schedule of Expenditures of Federal Awards

Note A - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of Family Caregiver Alliance (FCA) under programs passed-through from the federal government to the indicated counties for the year ended June 30, 2019. FCA presents the information in the SEFA in accordance with the requirements of Title 2 U.S. "Code of Federal Regulations" Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" (Uniform Guidance). Because the SEFA presents only a selected portion of the operations of FCA, it is not intended to and does not present the financial position, changes in net assets or cash flows of FCA.

Note B - Summary of Significant Accounting Policies

- (1) FCA reports expenditures in the SEFA using the accrual basis of accounting. FCA recognizes such expenditures following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. In addition, the indicated counties may impose their own reimbursement limits.
- (2) CFDA 93.052 requires a 25% match.
- (3) FCA has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.



Report of the Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with “Government Auditing Standards”

To the Board of Directors of **Family Caregiver Alliance**:

I 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 (FCA), which comprise the statement of financial position as of June 30, 2019, 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 my report thereon dated February 19, 2020.

Internal Control over Financial Reporting

In planning and performing my audit, I considered the internal control over financial reporting of FCA (internal control) to determine the audit procedures that are appropriate in the circumstances to express my opinion on the financial statements, but not to express an opinion on the effectiveness of internal control. Accordingly, I do not express an opinion on the effectiveness of 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 internal control will not prevent, or detect and correct a material misstatement of the financial statements 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.

My 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 and therefore, material weaknesses or significant deficiencies may exist that I have not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider material weaknesses. I did identify certain deficiencies

in internal control, described in the accompanying schedule of findings and questioned costs as items 2019-001 and 2019-002, which I consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements are free from material misstatement, I performed tests of compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that I am required to report under “Government Auditing Standards.”

Family Caregiver Alliance Response to Findings

The accompanying schedule of findings and questioned costs describes the response to the findings identified in my audit. I did not subject the response to the auditing procedures I applied in the audit of the financial statements and, accordingly, I express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control or on compliance. This report is an integral part of an audit performed in accordance with “Government Auditing Standards” in considering internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Michael Smith, CPA
Petaluma, California
February 19, 2020



Report of the Independent Auditor on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

To the Board of Directors of **Family Caregiver Alliance**:

Report on Compliance for Each Major Federal Program

I have audited the compliance by Family Caregiver Alliance (FCA) with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the major federal programs of FCA for the year ended June 30, 2019. The summary of auditor's results section of the accompanying schedule of findings and questioned costs identifies the major federal programs of FCA.

Responsibility of Management

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

Responsibility of the Auditor

My responsibility is to express an opinion on compliance for each of the major federal programs of FCA based on my audit of the types of compliance requirements referred to above. I conducted my 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). Those standards and the Uniform Guidance require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of compliance by FCA.

Opinion on Each Major Federal Program

In my opinion, FCA 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, 2019.

Report on Internal Control over Compliance

Management of FCA is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered internal control over compliance by FCA with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances to express an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to express an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of 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 internal control over compliance will not prevent, or detect and correct material noncompliance with a type of compliance requirement of a federal program 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.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. I did not identify any deficiencies in internal control over compliance that I consider material weaknesses. However, material weaknesses may exist that I have not identified.

The purpose of this report on internal control over compliance is solely to describe the scope of my 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.

Michael Smith, CPA

Petaluma, California

February 19, 2020

Family Caregiver Alliance
Schedule of Findings and Questioned Costs
June 30, 2019

Summary of Auditor's Results

1. The auditor's report expresses an unmodified opinion on whether Family Caregiver Alliance prepared its financial statements in accordance with accounting principles generally accepted in the United States of America.
2. Two significant deficiencies disclosed during the audit of the financial statements are reported in the Report on Internal Control over Financial Reporting. No material weaknesses are reported.
3. The audit disclosed no instances of noncompliance material to the financial statements of Family Caregiver Alliance that "Government Auditing Standards" require to be reported.
4. No material weaknesses or significant deficiencies were disclosed during the audit of internal control over compliance.
5. The audit report on compliance for the major federal programs of Family Caregiver Alliance, expresses an unmodified opinion on all major federal programs.
6. This schedule reports audit findings that I am required to report in accordance with 2 CFR section 200.516(a).
7. The program tested as a major federal program was:
 U.S. Department of Health and Human Services
 National Family Caregiver Support, Title III, Part E
 CFDA 93.052
8. The threshold for distinguishing Type A and B programs was \$750,000.
9. Family Caregiver Alliance qualifies as a low-risk auditee.

Summary Schedule of Prior Audit Findings

None

Findings – Financial Statements Audit

Significant Deficiency

2019-001 Accounting for Multi-Year Grants

Condition: Family Caregiver Alliance did not recognize the second year of a multi-year unconditional grant.

Criteria: Financial Accounting Standards Board Accounting Standard Codification 958-605-25-2 requires that contributions shall be recognized in the period received.

Cause: The transaction was initially recorded property upon receipt of the grant documents and reflected in the organization's account analysis. During the year end closing process, the accrual was

Family Caregiver Alliance
Schedule of Findings and Questioned Costs
June 30, 2019

reversed incorrectly and not noted by the reviewing manager nor was the account analysis updated. If updated, the account analysis would have highlighted the discrepancy.

Effect: Contribution revenue and net assets with donor restrictions are understated.

Recommendation: The reviewing manager must exert extra diligence in the recording of multiyear grants as well as determining that account analyses are updated timely.

Views of Responsible Officials and Planned Corrective Actions: Family Caregiver Alliance agrees with the finding and has implemented the recommendation.

Significant Deficiency

2019-002 Timely Reporting of Grants

Condition: Family Caregiver Alliance did not recognize a conditional grant that it met the conditions of before the end of the reporting period.

Criteria: Financial Accounting Standards Board Accounting Standard Codification 958-605-25-11 requires that conditional promises to give shall be recognized when the conditions are substantially met.

Cause: The grant was awarded to the grantee to recover costs related to a lease entered prior to the award. Due to restrictions on the recoverable costs, the grantee was not able to initially determine the amount of costs recoverable under the grant and did not record the grant timely.

Effect: Contribution revenue and net assets without donor restrictions are understated.

Recommendation: Put in place and follow procedures to record all grants timely.

Views of Responsible Officials and Planned Corrective Actions: Family Caregiver Alliance agrees with the finding and has implemented the recommendation.

Findings and Questioned Costs – Major Federal Award Programs Audit

None

Family Caregiver Alliance
Corrective Action Plan
February 19, 2020

**A nonprofit, tax-exempt
501(c)(3) organization**

101 Montgomery Street
Suite 2150
San Francisco, CA 94104

800-445-8106
415-434-3388
415-434-3508 fax
info@caregiver.org
www.caregiver.org

**National Center
on Caregiving**
• Family Care Navigator
• Research and Reports

FCA CareJourney
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• Caregiver Assessment
• Learning Center

**Bay Area Caregiver
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• Care Planning
• Education
• Respite

**Research, Policy, and
Technical Expertise**
• Consultation
• Business Development
• Employee Education

Publications
• Consumer
• Professional

Kathleen Kelly, MPA
Executive Director

M. Celine Takatsuno
Board President

To the U.S. Department of Health and Human Services:

Family Caregiver Alliance respectfully submits the following corrective action plan for the year ended June 30, 2019:

Auditor: Michael Smith, CPA, PO Box 751324, Petaluma, CA 94975-1324

Audit Period: July 1, 2018 through June 30, 2019

The findings from the February 19, 2020 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

Findings – Financial Statements Audit

Significant Deficiency

2019-001 Accounting for Multi-Year Grants

Recommendation: It is recommended that the reviewing manager exert extra diligence in the recording of multiyear grants as well determining that account analysis are updated timely.

Planned Corrective Actions: We agree with the finding and have implemented the recommendation.

Significant Deficiency


2019-002 Timely Reporting of Grants

Recommendation: It is recommended that the organization record all grants timely.

Planned Corrective Actions: We agree with the finding and have implemented the recommendation to record all grants timely.

If the U.S. Department of Health and Human Services has questions regarding our corrective action plan, please call Stephen Hu at 415-434-3388.

Sincerely,


Stephen Hu, Fiscal Director