

**CONSOLIDATED FINANCIAL STATEMENTS
CORNERSTONE COMMUNITY DEVELOPMENT
CORPORATION**

DBA

**BUILDING FUTURES WITH WOMEN AND CHILDREN,
AND SUBSIDIARY
(NONPROFIT PUBLIC BENEFIT CORPORATIONS)**

**REPORT ON AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS
AND ADDITIONAL INFORMATION**

YEARS ENDED JUNE 30, 2024 and 2023

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Patricia A. Wintroath, CPA

Independent Auditor's Report

Board of Directors
Cornerstone Community Development Corporation
dba Building Futures with Women
and Children, and Subsidiary
San Leandro, California 94577

Opinion

I have audited the accompanying financial statements of Cornerstone Community Development Corporation dba Building Futures with Women and Children, and Subsidiary (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Cornerstone Community Development Corporation dba Building Futures with Women and Children, and Subsidiary as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Cornerstone Community Development Corporation dba Building Futures with Women and Children, and Subsidiary (a nonprofit organization) and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, I:

- 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 Cornerstone Community Development Corporation dba Building Futures with Women and Children, and Subsidiary's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Cornerstone Community Development Corporation dba Building Futures with Women and Children, and Subsidiary's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Supplementary Information

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal, state and county awards as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements, for Federal Awards* and the additional information presented on pages 26-34, is presented for purposes of additional analysis, and is not a required part of the basic 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 my 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*, I have also issued my report dated January 21, 2025, on my consideration of Cornerstone Community Development Corporation dba Building Futures with Women and Children, and Subsidiary's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 Cornerstone Community Development Corporation dba Building Futures with Women and Children, and Subsidiary's internal control over financial reporting and compliance.



Certified Public Accountant
Walnut Creek, CA
January 21, 2025

**CORNERSTONE COMMUNITY DEVELOPMENT CORPORATION DBA BUILDING
FUTURES WITH WOMEN AND CHILDREN, AND SUBSIDIARY**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023**

	Total 2024	Total 2023
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$1,608,807	\$1,765,085
Grants receivable (Note D)	2,433,996	2,157,025
Accounts receivable (Note D)	145,398	127,079
Prepaid expenses	12,697	4,071
TOTAL CURRENT ASSETS	4,200,898	\$4,053,260
PROPERTY AND EQUIPMENT, net of accumulated depreciation and amortization at June 30, 2024 and 2023 of \$3,099,453 and \$2,916,216, respectively (Note E)	4,224,296	4,137,645
RIGHT OF USE ASSETS (Note H)	1,034,156	1,367,134
DEPOSITS	47,384	47,384
TOTAL ASSETS	\$9,506,734	\$9,605,423
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$225,497	\$100,316
Accrued payroll expenses	195,080	179,028
Accrued vacation	205,607	195,698
Rental security deposits	42,639	25,714
Contract Advances	58,922	135,389
Current portion of long term debt (Note G)	31,462	34,362
Current portion of lease liability (Note H)	39,662	320,062
Current portion of other liabilities (Note L)	30,000	0
TOTAL CURRENT LIABILITIES	828,869	990,569
LONG TERM DEBT (Note G)	1,224,535	1,225,935
LEASE LIABILITY (Note H)	1,030,015	1,069,676
OTHER LIABILITIES (Note L)	170,000	0
COMMITMENTS AND CONTINGENCIES (Note I)		
NET ASSETS:		
Without Donor Restrictions	3,835,406	3,795,753
With Donor Restrictions	2,417,909	2,523,490
NET ASSETS (Note J)	6,253,315	6,319,243
TOTAL LIABILITIES AND NET ASSETS	\$9,506,734	\$9,605,423

See Notes to Financial Statements

**CORNERSTONE COMMUNITY DEVELOPMENT CORPORATION DBA BUILDING
FUTURES WITH WOMEN AND CHILDREN, AND SUBSIDIARY**
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

-	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Support:			
Foundations and community organizations	\$672,831	\$	\$672,831
Donations	154,437		154,437
In-kind donations (Note B and Note K)	318,451		318,451
Total Support	1,145,719	0	1,145,719
Revenue:			
Government	12,389,612		12,389,612
Rental income	331,194		331,194
Other revenue	101,225	26,088	127,313
Fundraising	67,146		67,146
Forgiveness of debt	36,873		36,873
Total Revenue	12,926,050	26,088	12,952,138
Net Assets Released From Restrictions	131,669	(131,669)	0
TOTAL SUPPORT AND REVENUE	14,203,438	(105,581)	14,097,857
EXPENSES			
Program			
San Leandro Shelter	920,625		920,625
Sister Me Home Safe house	755,036		755,036
Midway Shelter	1,017,262		1,017,262
Domestic Violence Outreach	673,223		673,223
Bessie Coleman Court Program	379,861		379,861
Housing Services	7,030,748		7,030,748
Other Program Services	808,777		808,777
Bessie Coleman Court, Inc.	1,080,758		1,080,758
Total program expenses	12,666,290		12,666,290
Support			
Administration	845,973		845,973
Fundraising	651,522		651,522
Total support expenses	1,497,495		1,497,495
TOTAL EXPENSES	14,163,785	0	14,163,785
CHANGE IN NET ASSETS	39,653	(105,581)	(65,928)
NET ASSETS, beginning of year	3,795,753	2,523,490	6,319,243
NET ASSETS, end of year	\$3,835,406	\$2,417,909	\$6,253,315

See Notes to Financial Statements

**CORNERSTONE COMMUNITY DEVELOPMENT CORPORATION DBA BUILDING
FUTURES WITH WOMEN AND CHILDREN, AND SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023**

-	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Support:			
Foundations and community organizations	\$695,725	\$25,000	\$720,725
Donations	179,932		179,932
In-kind donations (Note B and Note J)	232,275		232,275
Total Support	<u>1,107,932</u>	<u>25,000</u>	<u>1,132,932</u>
Revenue:			
Government	11,615,561		11,615,561
Rental income	404,111		404,111
Other revenue	148,111	219,200	367,311
Fundraising	69,632		69,632
Forgiveness of debt	36,873		36,873
Total Revenue	<u>12,274,288</u>	<u>219,200</u>	<u>12,493,488</u>
Net Assets Released From Restrictions	<u>120,419</u>	<u>(120,419)</u>	<u>0</u>
TOTAL SUPPORT AND REVENUE	<u>13,502,639</u>	<u>123,781</u>	<u>13,626,420</u>
EXPENSES			
Program			
San Leandro Shelter	730,181		730,181
Sister Me Home Safe house	853,741		853,741
Midway Shelter	1,314,802		1,314,802
Domestic Violence Outreach	617,558		617,558
Bessie Coleman Court Program	391,504		391,504
Housing Services	5,927,740		5,927,740
Other Program Services	1,048,715		1,048,715
Bessie Coleman Court, Inc.	1,108,699		1,108,699
Total program expenses	<u>11,992,940</u>		<u>11,992,940</u>
Support			
Administration	487,163		487,163
Fundraising	560,955		560,955
Total support expenses	<u>1,048,118</u>		<u>1,048,118</u>
TOTAL EXPENSES	<u>13,041,058</u>	<u>0</u>	<u>13,041,058</u>
CHANGE IN NET ASSETS	461,581	123,781	585,362
NET ASSETS, beginning of year	<u>3,334,172</u>	<u>2,399,709</u>	<u>5,733,881</u>
NET ASSETS, end of year	<u>\$3,795,753</u>	<u>\$2,523,490</u>	<u>\$6,319,243</u>

See Notes to Financial Statements

CORNERSTONE COMMUNITY DEVELOPMENT CORPORATION DBA BUILDING FUTURES WITH WOMEN AND CHILDREN, AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024

	San Leandro Shelter	Sister Me Home Safe House	Midway Shelter	Domestic Violence Outreach	Bessie Coleman Court Program	Housing Services	Other Program Services	Bessie Coleman Court, Inc.	Total Program	General and Administration	Fundraising	Total Support	Total
Salaries	\$357,950	\$474,292	\$395,290	\$358,404	\$247,999	\$1,708,781	\$311,772	\$175,159	\$4,029,647	\$242,821	\$309,379	\$552,200	\$4,581,847
Payroll taxes	28,292	38,857	31,307	26,783	20,257	134,335	24,344	14,967	319,142	15,949	24,384	40,333	359,475
Employee benefits	44,823	52,446	37,771	35,256	35,960	278,092	46,096	53,663	584,107	27,153	40,339	67,492	651,599
Total personnel expenses	431,065	565,595	464,368	420,443	304,216	2,121,208	382,212	243,789	4,932,896	285,923	374,102	660,025	5,592,921
Occupancy	59,451	22,024	37,743	38,617	3,055	195,017	17,972	242,636	616,515	45,424	27,151	72,575	689,090
Depreciation						5,523	8,600	98,087	112,210	71,027		71,027	183,237
Repairs and maintenance	32,375	12,886	9,969	103		136	72	109,809	165,350	5,559	381	5,940	171,290
Supplies and food	70,467	20,216	63,751	2,423	12,904	13,937	17,836	886	202,420	32,270	6,523	38,793	241,213
Professional services	9,393	23,251	72,170	101,832	16,498	46,946	5,395	20,913	296,398	337,806	91,898	429,704	726,102
Insurance	4,500	8,694	3,798	1,859	19,323	14,736	2,385	19,460	74,755	39,923	2,175	42,098	116,853
Communications	11,683	5,978	4,516	2,985	5,132	17,357	8,057	9,344	65,052	2,993	2,062	5,055	70,107
Other direct client assistance	33,272	19,664	4,381	36,220	1,885	4,292,657	194,883	244,804	4,827,766	6,456	36,931	43,387	4,871,153
Interest expense									0	1,402		1,402	1,402
Legal and accounting		3,182						45,599	48,781	30,302		30,302	79,083
Client transportation	4,127	5,311	2,569	6,661		31,884	68,528		119,080	458		458	119,538
Other expenses	52,271	57,555	33,702	55,779	11,295	255,650	93,098	31,778	591,128	(41,135)	50,286	9,151	600,279
Staff travel	573	67	415	1,250	370	21,663	137	4,775	29,250	6,742	863	7,605	36,855
Annual fundraising event-direct expenses									0		27,619	27,619	27,619
Equipment purchase and rental	3,443	4,463	5,196	1,493	4,025	9,404	3,666	8,798	40,488	7,950	2,002	9,952	50,440
Project construction	76,056		175,854						251,910				251,910
Merchant and bank fees								80	80	12,873	3,289	16,162	16,242
In-kind supplies and services	131,949	6,150	138,830	3,558	1,158	4,630	5,936		292,211		26,240	26,240	318,451
Total expenses	\$920,625	\$755,036	\$1,017,262	\$673,223	\$379,861	\$7,030,748	\$808,777	\$1,080,758	\$12,666,290	\$845,973	\$651,522	\$1,497,495	\$14,163,785

See Notes to Financial Statements

CORNERSTONE COMMUNITY DEVELOPMENT CORPORATION DBA BUILDING FUTURES WITH WOMEN AND CHILDREN, AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023

	San Leandro Shelter	Sister Me Home Safe House	Midway Shelter	Domestic Violence Outreach	Bessie Coleman Court Program	Housing Services	Other Program Services	Bessie Coleman Court, Inc.	Total Program	General and Administration	Fundraising	Total Support	Total
Salaries	\$372,199	\$523,608	\$379,305	\$279,263	\$265,146	\$1,442,131	\$356,363	\$184,607	\$3,802,622	\$169,348	\$267,069	\$436,417	\$4,239,039
Payroll taxes	29,770	41,147	30,353	21,834	21,182	115,277	28,589	16,365	304,517	12,651	21,466	34,117	338,634
Employee benefits	38,055	56,597	32,757	31,991	40,769	227,292	46,460	49,571	523,492	10,538	29,438	39,976	563,468
Total personnel expenses	440,024	621,352	442,415	333,088	327,097	1,784,700	431,412	250,543	4,630,631	192,537	317,973	510,510	5,141,141
Occupancy	58,665	20,954	35,588	41,588	4,403	160,558	20,807	130,086	472,649	44,098	31,075	75,173	547,822
Depreciation						8,222	7,583	98,088	113,893	71,751		71,751	185,644
Repairs and maintenance	18,391	13,841	12,592	3,077		3,471	3,015	204,485	258,872	20,550		20,550	279,422
Supplies and food	45,299	22,875	38,771	925	9,671	29,061	32,929	802	180,333	29,074	5,249	34,323	214,656
Professional services	3,220	25,238	1,900	97,253	7,610	36,072	1,532	7,563	180,388	181,758	79,759	261,517	441,905
Insurance	3,691	7,131	2,902	2,067	15,848	12,560	1,329	13,200	58,728	33,504	1,783	35,287	94,015
Communications	12,362	4,832	4,826	2,608	4,648	13,630	6,979	9,716	59,601	4,084	2,391	6,475	66,076
Other direct client assistance	3,445	18,091		95,961	146	3,532,166	373,029	261,165	4,284,003	55,200	34,605	89,805	4,373,808
Interest expense									0	2,139		2,139	2,139
Legal and accounting		11,663						715	12,378	53,528		53,528	65,906
Client transportation	1,875	1,421	490	2,450	311	14,895	54,777	694	76,913			0	76,913
Other expenses	40,816	83,341	29,565	34,700	13,077	255,672	104,863	115,602	677,636	(231,289)	30,863	(200,426)	477,210
Staff travel	113	13	1,086	524		6,059	24		7,819	1,095	1,074	2,169	9,988
Annual fundraising event-direct expenses									0		37,686	37,686	37,686
Equipment purchase and rental	7,266	15,371	15,044	3,317	6,788	63,056	8,531	15,777	135,150	26,308	2,510	28,818	163,968
Project construction			624,008						624,008			0	624,008
Merchant and bank fees								263	263	2,826	3,387	6,213	6,476
In-kind supplies and services	95,014	7,618	105,615		1,905	7,618	1,905		219,675		12,600	12,600	232,275
Total expenses	\$730,181	\$853,741	\$1,314,802	\$617,558	\$391,504	\$5,927,740	\$1,048,715	\$1,108,699	\$11,992,940	\$487,163	\$560,955	\$1,048,118	\$13,041,058

See Notes to Financial Statement

**CORNERSTONE COMMUNITY DEVELOPMENT CORPORATION DBA
BUILDING FUTURES WITH WOMEN AND CHILDREN, AND SUBSIDIARY**
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2024 AND 2023

-	Total 2024	Total 2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	(\$65,928)	\$585,362
Adjustment to reconcile change in net assets to cash provided (used) by operating activities:		
Forgiveness of long term debt	(36,518)	(36,873)
Loss on disposal of property & equipment	0	287
Amortization of lease liability	12,917	22,604
Depreciation	183,237	185,644
	<u>93,708</u>	<u>757,024</u>
CHANGES IN CURRENT ASSETS AND CURRENT LIABILITIES		
(Increase) decrease in grants receivable	(276,971)	(277,669)
(Increase) decrease in accounts and pledges receivable	(18,319)	26,593
(Increase) decrease in prepaid expenses	(8,626)	12,384
Increase (decrease) in accounts payable and accrued expenses	125,181	(76,901)
Increase (decrease) in accrued payroll expenses	16,052	15,303
Increase (decrease) in accrued vacation	9,909	24,305
Increase (decrease) in rental security deposits	16,925	(2,792)
Increase (decrease) in contract advances	(76,467)	(25,406)
Increase (decrease) in other liabilities	200,000	0
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>81,392</u>	<u>452,841</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and Equipment	(204,660)	0
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(204,660)</u>	<u>0</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments on loans/ Line of credit	(33,010)	(14,564)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>(33,010)</u>	<u>(14,564)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(156,278)	438,277
CASH AND CASH EQUIVALENTS, beginning of year	<u>1,765,085</u>	<u>1,326,808</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$1,608,807</u>	<u>\$1,765,085</u>
SUPPLEMENTAL INFORMATION:		
Interest paid	\$1,402	\$2,139
SUPPLEMENTAL SCHEDULE OF NON CASH FINANING ACTIVITIES		
Purchase of equipment with loan proceeds	\$65,229	\$0
Forgiveness of debt on government loans	\$36,518	\$36,837

See Notes to Financial Statements

CORNERSTONE COMMUNITY DEVELOPMENT CORPORATION DBA BUILDING FUTURES WITH WOMEN AND CHILDREN, AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023

NOTE A - ORGANIZATION

General – Building Futures with Women and Children (the Organization) is a California nonprofit public benefit corporation established in 1986. The Organization’s legal name is Cornerstone Community Development Corporation. The Organization was previously known as San Leandro Shelter for Women and Children. The Organization’s mission is to build communities with underserved women and children where they are safely and supportively housed, free from homelessness and family violence. In 1999, the Organization established a wholly owned subsidiary, Bessie Coleman Court, Inc., a nonprofit public benefit corporation, to develop, own, and operate safe, decent, and affordable housing for women and children.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Reporting - The Organization maintains its accounting records on the accrual basis of accounting.

To ensure observance of limitations and restrictions placed on the use of resources available to the Organization, the accounts of the Organization are maintained in accordance with the principles of fund accounting. Fund accounting is the procedure by which resources for the various programs are classified for accounting and reporting according to the activities and objectives specified by donors, grantors, officials and governing boards. Separate accounts are maintained for each program.

Estimates - In preparing the consolidated financial statements in conformity with Generally Accepted Accounting Principles, management must make estimates based on future events that affect the reported amounts of assets and liabilities; the disclosure of contingent assets and liabilities as of the date of the consolidated financial statements; and revenues and expenses during the reporting period. Actual results could differ from these estimates.

Cash and Cash Equivalents - The Organization's cash and cash equivalents balance consists of amounts held in checking and savings accounts in large financial institutions.

Prepaid expenses – Prepaid expenses are amortized over the period of future benefit.

Property and Equipment - Furniture and equipment are stated at cost. Donated equipment is recorded at its estimated fair market value. Expenditures for property and equipment are capitalized. Depreciation for property and equipment is calculated using the straight-line method over the useful life of each asset. The useful life of these assets ranges from three to fifty-nine years. When assets are retired or sold, the related cost and accumulated depreciation are removed from the accounts and any gain or loss

**CORNERSTONE COMMUNITY DEVELOPMENT CORPORATION DBA BUILDING
FUTURES WITH WOMEN AND CHILDREN, AND SUBSIDIARY**
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

arising from such disposition is included as revenue or expense. Expenditures for repairs and maintenance are charged to expense as incurred.

Fair Value Measurements – Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Organization determines the fair values of its assets and liabilities based on a fair value hierarchy that includes three levels of inputs that may be used to measure fair value.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date. An active market is a market in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 inputs are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the assets or liability. Unobservable inputs reflect the Organization's own assumptions about the assumption market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the Organization's own data.

Consolidating Eliminating Entries - Eliminating entries are present to reduce inter-company receivables and payables to avoid inflation of the total assets and total liabilities on the consolidated statement of financial position.

Donated Materials and Services - Donated materials are recorded at their fair value at the date of donation. In addition, a substantial number of individuals have donated significant amounts of their time to the Organization, primarily through program activities. These services are reflected in the accompanying consolidated financial statements using a valuation of the services based on an estimate of the fair value at the time of the donation. Donated services by individuals providing administration services, and unskilled children's program and shelter services are not recorded as donated services as there are no special skills required for these services. During the year ended June 30, 2024, the Organization received over 7,268 hours of volunteer meal service for the shelter programs, and approximately 2,259 hours of volunteer administrative, children's program and shelter services. During the year ended June 30, 2023, the Organization received over 4,596 hours of volunteer meal service for the shelter programs, and approximately 700 hours of volunteer administrative, children's program and shelter services.

**CORNERSTONE COMMUNITY DEVELOPMENT CORPORATION DBA BUILDING
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NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Advertising Costs – Advertising costs are expensed as incurred, the costs incurred during the year ended June 30, 2024 and 2023 were \$5,484 and \$8,168, respectively.

Functional Allocation of Expenses - Costs of providing the various programs have been summarized on a functional basis in the accompanying Statement of Functional Expenses. Certain indirect costs have been allocated directly to programs and administration based upon detailed estimates prepared by management personnel and on the basis of direct hours charged to each program. Substantially all supporting services are allocated to program services based on time allocations prepared by supporting staff. These costs primarily include salaries, fringe benefits, occupancy and other expenses.

Income Taxes - The Organization is a Section 501(c)(3) organization exempt from income taxes under Section 501(a) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. There was no taxable unrelated business income during the year ended June 30, 2024.

Contributions and Grant Revenue - Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in the net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

All other contributions are recognized upon receipt.

The principal source of revenue for the Organization is contracts with the County of Alameda and the State of California. These contracts include federal pass-through funds, which are identified in the Schedule of Expenditures of Federal Awards.

Contributions Receivable – Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue. Conditional promises to give are not included as support until the conditions are met.

**CORNERSTONE COMMUNITY DEVELOPMENT CORPORATION DBA BUILDING
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation - The consolidated financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP), which requires the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions:

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions:

Net assets that are subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Measure of Operations – The consolidated statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organizations ongoing operations and interest and dividends earned on investments. Non-operating activities are limited to resources that generate returns from investments and other activities considered to be of a more unusual or nonrecurring nature.

New Accounting Pronouncements – In fiscal year 2022, the Organization adopted ASU 2020-07, Not-for-profit Entities (Topic 958) – *Presentation and Disclosures by Not for Profit Entities for Contributed nonfinancial Assets*. The new guidance requires nonprofit entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. The standard also increases the disclosure requirements around contributed nonfinancial assets, including disaggregating by category the types of contributed nonfinancial assets a nonprofit entity has received. Adoption of his standard did not have a significant impact on the financial statements, with the exception of increased disclosure. The ASU has been applied retrospectively to all periods presented.

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NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

During the fiscal year ended June 30, 2023, the Organization adopted Accounting Standards Update (ASU) No. 2016-02, *Leases*, which requires lessees to recognize leases on the statement of financial position and disclose key information about leasing arrangements. The Organization elected not to restate the comparative period (2022). It also elected not to reassess at adoption (i) expired or existing contracts to determine whether they are or contain a lease, (ii) the lease classification of any existing leases, or (iii) initial direct costs for existing leases. As a result of implementing ASU No. 2016-02, the Organization recognized right-of-use assets of \$1,367,134 and lease liabilities totaling \$1,389,738 in its statement of financial position as of June 30, 2023. The adoption did not result in a significant effect on amounts reported in the consolidated statement of activities for the year ended June 30, 2023.

On July 1, 2023, the Organization adopted Accounting Standards Update 2016-13, *Measurement of Credit Losses on Financial Statements*, and its related amendments using the prospective method. The new standard changes the impairment model for most financial assets that are measured at amortized cost and certain other instruments, including trade receivables, from an incurred loss model to an expected loss model. Under the expected loss model, entities will recognize credit losses to be incurred over the entire contractual term of the instrument rather than delaying recognition of credit losses until it is probable the loss has been incurred.

In accordance with ASC 326, the Organization evaluates certain criteria, including aging and historical write-offs, current economic condition of specific customers and future economic conditions to determine the appropriate allowance for credit losses. The adoption of ASC 326 did not result in any cumulative adjustments to the financial statements.

NOTE C – LIQUIDITY AND AVAILABILITY

The Organization regularly monitors liquidity required to meet its operating needs, liabilities and other obligations as they become due. As of June 30, 2024, the Organization has ample cash and cash equivalents to cover operating expenses. The following assets could be readily made available within one year of the statement of financial position to meet general expenditures:

Financial assets:

Cornerstone Community Development Corporation	
Cash	\$1,445,077
Grants and accounts receivable	<u>2,433,996</u>
	\$3,879,073

**CORNERSTONE COMMUNITY DEVELOPMENT CORPORATION DBA BUILDING
FUTURES WITH WOMEN AND CHILDREN, AND SUBSIDIARY**
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE C – LIQUIDITY AND AVAILABILITY (Continued)

Bessie Coleman Court, Inc.	
Cash	\$ 163,730
Accounts receivable	145,398
Less: Rental security deposits payable	<u>(42,639)</u>
	<u>266,489</u>
Financial assets available within one year	<u><u>\$4,145,562</u></u>

The Organization does not have an operating reserve.

NOTE D – GRANTS AND ACCOUNTS RECEIVABLE

Grants and accounts receivable at June 30, 2024 consisted of the following:

Cornerstone Community Development Corporation:

Funds Without Donor Restrictions

Grants receivable	
Alameda County CDBG	\$ 70,146
Access Point GBV HCSA	128,461
Access Point DV GBV HCSA	67,913
Alameda County SSA Emergency Shelter Services	148,849
Alameda County DVCA	4,339
Alameda County DV SSO CES	26,321
Alameda County Midway Shelter Public Improvement	54,087
Alameda County HCSA HCS CalAIM	282,987
Alameda Point Collaborative	16,813
CalOES	40,772
CalWORKS	548,341
CalWORKS – DV Collaborative	14,656
City of Alameda	22,716
City of Oakland	200,596
City of San Leandro	72,386
City of San Leandro -Outreach	28,435
City of San Leandro SL Shelter Consulting Services	12, 500
DV Outreach & Mobile Unit	3,435
ESG State HRC	61,205
Homeless Prevention	300
Housing/Jobs Linkages Program	13,019
HUD BCC CoC	6,718
North County Oakland HUD	151,178

**CORNERSTONE COMMUNITY DEVELOPMENT CORPORATION DBA BUILDING
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NOTE D - GRANTS AND ACCOUNTS RECEIVABLE (Continued)

Funds Without Donor Restrictions

Oakland FHC	\$ 60,142
Oakland PATH	173,959
Satellite Affordable Housing Assoc	9,681
Warming Shelter	25,899
WHSL	<u>97,909</u>
Total – Without Donor Restrictions	<u>\$2,343,763</u>
Accounts receivable	
Miscellaneous receivables	<u>\$ 90,233</u>
Total accounts receivable	<u>\$ 90,233</u>
Total – Without Donor Restrictions	<u>\$2,433,996</u>
Total grants and accounts receivable -BFWC	<u>\$2,433,996</u>

Bessie Coleman Court, Inc.:

Funds Without Donor Restrictions

Accounts receivable	
HAP rental income	\$ 34,445
APC receivable	3,360
Tenant rents	<u>107,593</u>
Total – Without Donor Restrictions	<u>\$ 145,398</u>
Total grants and accounts receivable - BCC, Inc.	<u>\$ 145,398</u>
Total grants and accounts receivable	<u>\$2,579,394</u>

Grants and accounts receivable at June 30, 2023 consisted of the following:

Cornerstone Community Development Corporation:

Funds Without Donor Restrictions

Grants receivable	
Alameda County CDBG	\$ 17,446
Access Point GBV HCSA	22,331
Access Point AC DV EHV	13,758
Alameda County SSA Emergency Shelter Services	73,204
Alameda County DVCA	4,339
Alameda County DV SSO CES	12,959
Alameda County Midway Shelter Public Improvement	412
Alameda County HCSA HCS CalAIM	193,344

**CORNERSTONE COMMUNITY DEVELOPMENT CORPORATION DBA BUILDING
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NOTE D - GRANTS AND ACCOUNTS RECEIVABLE (Continued)

Funds Without Donor Restrictions

Grants receivable

Alameda Point Collaborative	\$ 12,985
CalOES	31,088
CalWORKS	197,251
CalWORKS – DV Collaborative	103,299
City of Alameda	9,625
City of Oakland	188,188
City of Oakland FHC	48,923
City of San Leandro Mid County Shelters	238,700
City of San Leandro Outreach	193,360
City of San Leandro SL Shelter Consulting Services	6,250
DV Outreach & Mobile Unit	9,592
ESG State HRC	115,231
HCSA Access Point	144,313
Housing/Jobs Linkages Program	21,738
HUD BCC CoC	3,152
Midway Shelter ARPA	663
North County Oakland HUD	325,559
Oakland PATH	44,551
Satellite Affordable Housing Assoc	3,388
Warming Shelter	17,714
WHSL	<u>103,662</u>

Total – Without Donor Restrictions \$2,157,025

Accounts receivable

Miscellaneous receivables \$ 2,357

Total accounts receivable \$ 2,357

Total – Without Donor Restrictions \$2,159,382

Total grants and accounts receivable -BFWC \$2,159,382

Bessie Coleman Court, Inc.:

Funds Without Donor Restrictions

Accounts receivable

HAP rental income \$ 3,536

APC receivable 24,949

Tenant rents 92,044

Total – Without Donor Restrictions \$ 124,722

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NOTE D - GRANTS AND ACCOUNTS RECEIVABLE (Continued)

Funds Without Donor Restrictions

Total grants and accounts receivable - BCC, Inc. \$ 124,722

Total grants and accounts receivable **\$2,284,104**

The Organization anticipates that all the grants and accounts receivable will be collected.

Management determines the allowance for uncollectable accounts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectable.

NOTE E - PROPERTY AND EQUIPMENT

Property and Equipment as of June 30, 2024, consisted of the following:

	<u>CCDC</u>	<u>BCC, Inc.</u>	<u>Total</u>
Building	\$ 224,069	\$ 0	\$ 224,069
Land	86,400	0	86,400
Building improvements	786,267	0	786,267
Furniture and equipment	282,815	43,417	326,232
Site Acquisition		2,298,240	2,298,240
Leasehold improvements	<u>909,966</u>	<u>2,692,575</u>	<u>3,602,541</u>
	2,289,517	5,034,232	7,323,749
Less: Accumulated Depreciation	<u>1,058,078</u>	<u>2,041,375</u>	<u>3,099,453</u>
	<u>\$1,231,439</u>	<u>\$2,992,857</u>	<u>\$4,224,296</u>

Property and Equipment as of June 30, 2023, consisted of the following:

	<u>CCDC</u>	<u>BCC, Inc.</u>	<u>Total</u>
Building	\$ 224,069	\$ 0	\$ 224,069
Land	86,400	0	86,400
Building improvements	786,267	0	786,267
Furniture and equipment	156,762	43,417	200,179
Site Acquisition		2,298,240	2,298,240
Leasehold improvements	<u>766,131</u>	<u>2,692,575</u>	<u>3,458,706</u>
	2,019,629	5,034,232	7,053,861
Less: Accumulated Depreciation	<u>972,928</u>	<u>1,943,288</u>	<u>2,916,216</u>
	<u>\$1,046,701</u>	<u>\$3,090,944</u>	<u>\$4,137,645</u>

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NOTE E - PROPERTY AND EQUIPMENT Continued)

Depreciation and amortization expense for the years ended June 30, 2024 and 2023 was \$183,237 and \$185,644, respectively.

The site acquisition cost represents the fair market value of a 59 year lease which was donated by the Naval Air Station and City of Alameda.

NOTE F – LINE OF CREDIT

The Organization obtained a line of credit with Bank of the West with a maximum borrowing limit of \$300,000. At June 30, 2024 and June 30, 2023, the interest rate on the line was 4.6%. The outstanding balance at June 30, 2024 and 2023 was \$0. This is an unsecured line of credit.

NOTE G – LONG TERM DEBT

The long term debt of the organization consisted of the following loans at June 30, 2024 and 2023. The loans below have been categorized as payable and forgivable based on the terms of each loan.

Cornerstone Community Development Corporation:

Cornerstone Community Development Corporation 's long term debt at June 30, 2024 and 2023 consisted of five Federal CDBG loans for the predevelopment, purchase, and improvement costs associated with the purchase of a safe house.

Forgivable Loans:

A loan from the City of San Leandro, in the amount of \$180,000, was received during June 1999. This loan consists of \$27,862 used towards predevelopment costs and \$152,138, used toward the safe house purchase price. The purchase of the safe house occurred during July 1999, at which time the \$152,138 was transferred to the purchase escrow account. The term of the loan is 30 years with deferred payment of principal and interest. Simple interest at the rate of 2% per annum is due on July 1, 2029. The loan (principal and interest) will be forgiven on July 1, 2029 if the Organization uses the house purchased, as a safe house, for the full term of the loan. The loan will be due if and when the safe house is sold prior to the expiration of the 30 year loan period. On July 18, 2007, the loan was amended to include retroactive forgiveness of the principal and interest on an annual basis, each June 30. 1/30th of the loan will be forgiven each year. As of July 18, 2007, eight years' of principal, totaling \$48,000 and all the accrued interest, were forgiven. The loan balance as of June 30, 2024 and 2023 was \$40,500 and \$46,000, respectively.

A loan from the City of San Leandro, in the amount of \$50,000, was received on July 1, 2008, which was increased to \$100,000 on September 25, 2012. This loan is for capital

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NOTE G – LONG TERM DEBT (Continued)

improvements to be made on the safe house. The term of the loan is 20 years from the date the loan is fully funded (July 1, 2013), with deferred payment of principal and interest. Simple interest at the rate of 3% per annum is due on the loan. The loan (principal and interest) will be forgiven on an annual basis at a rate of 1/20 of the principal and interest, beginning on the anniversary of the Forgiveness Commencement Date (July 1, 2013). The loan will be due if and when the safe house is sold prior to the expiration of the 20 year loan period. The balance of the loan at June 30, 2024 and 2023 was \$55,000 and \$60,000, respectively.

A loan, in the amount of \$305,160, was obtained from the County of Alameda on June 6, 2013, for the rehabilitation of the safe house and the refinance of two loans above in the amounts of \$55,660 and 149,500 originally obtained for the purchase of the safe house. The term of the loan is 44 and one half years with deferred payment of principal and interest. The loan will accrue simple interest at 3% per annum beginning on July 1, 2013 and is secured by a Deed of Trust from the Organization. The note will mature on December 31, 2058 or upon the sale, transfer, conveyance, assignment, encumbrance, change of use, or refinance of the property in violation of the Regulatory Agreement or Deed of Trust. If the property is used for its stated purpose for the life of the loan, the loan will be forgiven at its maturity. The loan balance as of both, June 30, 2024 and 2023, was \$305,160.

A loan from the City of San Leandro, in the amount of \$143,725, was approved on August 1, 2020. This loan is for capital improvements to be made on the San Leandro Shelter, located at 501 Davis St. The term of the loan is 10 years from the date the loan is fully funded (Effective Date), with deferred payment of principal and interest. Simple interest at the rate of 3% per annum is due on the loan. The loan (principal and interest) will be forgiven on an annual basis at a rate of 1/10 of the principal and interest, beginning on the anniversary of the Effective Date. The loan will be due if and when the property is no longer used as a shelter prior to the expiration of the 10 year loan period. The balance of the loan at June 30, 2024 and 2023 was \$100,608 and \$114,980, respectively.

A loan from the City of San Leandro, in the amount of \$65,229, was approved on July 1, 2023. This loan is for capital improvements to be made on the San Leandro Shelter, located at 501 Davis St. The term of the loan is 10 years from the date the loan is fully funded (Effective Date), with deferred payment of principal and interest. Simple interest at the rate of 3% per annum is due on the loan. The loan (principal and interest) will be forgiven on an annual basis at a rate of 1/10 of the principal and interest, beginning on the anniversary of the Effective Date. The loan will be due if and when the property is

**CORNERSTONE COMMUNITY DEVELOPMENT CORPORATION DBA BUILDING
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NOTE G – LONG TERM DEBT (Continued)

no longer used as a shelter prior to the expiration of the 10 year loan period. The balance of the loan at June 30, 2024 and 2023 was \$65,229 and \$0, respectively.

The Organization obtained a loan in the amount of \$23,844 as part of the purchase of a vehicle on April 2, 2021. The loan term is 36 months with the maturity date of April 2, 2024. Monthly payments of \$716 are due on the second day of each month. The interest rate is 5.05% per annum, compounded daily. The loan balance as of June 30, 2024 and 2023 was \$0 and \$5,506, respectively

The Organization obtained a loan in the amount of \$35,000 as part of the purchase of a vehicle on February 7, 2022. The loan term is 60 months with the maturity date of April 27, 2027. Monthly payments of \$662.51 are due on the twenty-ninth day of each month. The interest rate is 5.05% per annum, compounded daily. The loan balance as of June 30, 2024 and 2023 was \$0 and \$27,506, respectively

Bessie Coleman Court, Inc.:

Bessie Coleman Court, Inc.'s long term debt, at June 30, 2024, consisted of four loans for the predevelopment, purchase, and improvement costs associated with the redevelopment of supportive housing units located on the Alameda Naval Air Station, now known as Alameda Point.

Payable Loans:

The first loan is from Alameda County, in the amount of \$700,000. The loan funds are made up of \$400,000 HUD SHP funding, \$156,000 Alameda County Housing Trust Fund and \$144,000 of Urban County HOME funds. The terms of the loan are 0% interest with the first payment deferred until December 30, 2010. Beginning January 1, 2011, repayment will be the lesser of \$14,285 or 100% of the residual cash flow from the rental project annually.

	<u>2024</u>	<u>2023</u>
Total due at June 30,	<u>\$700,000</u>	<u>\$700,000</u>
Long term debt	<u>\$700,000</u>	<u>\$700,000</u>

Forgivable Loans:

A loan dated February 19, 2014, is in the amount of \$120,000 from the City of Alameda, CDBG loan for rehabilitation work on the property known as Bessie Coleman Court. The terms of the loan are 0% interest with no payments. This loan will be forgiven in ten equal annual installments, beginning on January 1, 2015, with the final forgiveness on January 1, 2024. The note will be due and payable upon the sale, transfer,

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NOTE G – LONG TERM DEBT (Continued)

conveyance, and assignment encumbrance or change of use of the property. As of June 30, 2024, \$123,552 of the loan was utilized and funded.

	<u>2024</u>	<u>2023</u>
Total due at June 30,	<u>\$0</u>	<u>\$11,645</u>
Long term debt	<u>\$0</u>	<u>\$11,645</u>

Aggregate maturities on long-term debt for each of the next five years and subsequent periods are as follows:

Year Ended June 30,	<u>CCDC</u>	<u>BCC, Inc.</u>	<u>Total</u>
2025	\$ 31,462	\$ 0	\$ 31,462
2026	31,462	0	31,462
2027	31,462	0	31,462
2028	31,462	0	31,462
2029	31,462	0	31,462
Subsequent	<u>398,687</u>	<u>700,000</u>	<u>1,098,687</u>
	<u>\$555,997</u>	<u>\$700,000</u>	<u>\$1,255,997</u>

The Organization deems the default of any of the above notes due to unallowed operations remote since the use of the safe house and Bessie Coleman Court property facilitates the mission of the Organization.

NOTE H – LEASES

The Organization evaluated current contracts to determine which met the criteria of a lease. The right-of-use (ROU) assets represent the Organization’s right to use underlying assets for the lease term, and the lease liabilities represent the Organization’s obligation to make lease payments arising from these leases. The ROU assets and lease liabilities, all of which arise from operating leases, were calculated based on the present value of future lease payments over the lease terms. The Organization has made an accounting policy election to use its incremental borrowing rate to discount future lease payments. The discount rate applied to calculate lease liabilities as of June 30, 2024, was 5.05%.

The Organization’s operating leases consist of a real estate lease for office spaces located in Alameda County and equipment leases. The lease terms do not include any extensions.

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NOTE H – LEASES (Continued)

For the year ended June 30, 2024, total operating lease cost was \$383,334, and total short-term lease cost was approximately \$345,506. As of June 30, 2024, the remaining lease terms for the Organization’s various operating leases, including options to extend the leases, were approximately 0.5 to 5.5 years.

Cash paid for operating leases for the year ended June 30, 2024 was \$383,334. There were no noncash investing and financing transactions related to leasing

Future maturities of lease liabilities are as follows

<u>June 30,</u>	<u>Amount</u>
2025	\$ 338,812
2026	301,326
2027	312,777
2028	147,365
2029	151,766
2030	<u>77,396</u>
Total lease payments	1,329,442
Less: present value discount	<u>259,765</u>
Total lease obligations	<u>\$1,069,677</u>

NOTE I - COMMITMENTS AND CONTINGENCIES

The Organization leases the Midway shelter site, at \$0.

The Organization entered into an operating agreement with Alameda Homeless Network to operate the Midway shelter on October 1, 2000. As part of the agreement, Alameda Homeless Network will grant the Organization \$50,000 or 18% of the operating costs, whichever is greater, per year, to be used for the operation of the program. The agreement was amended to increase the Alameda Homeless Network grant to \$80,000 beginning with the year ended June 30, 2010.

Bessie Coleman Court, Inc. entered into a 59 year lease, on April 23, 1999, for sublease of the buildings 531, 532, and 533 along with the adjacent open space and parking area, now known as Bessie Coleman Court, at Alameda Point. The lease was donated and no future annual cost is to be incurred by Bessie Coleman Court, Inc.

The Organization rents the remainder of its program space on a month to month basis, renewable annually.

Grant awards require the fulfillment of certain conditions as set forth in the instruments of grant. Failure to fulfill the conditions could result in the return of the funds to the

CORNERSTONE COMMUNITY DEVELOPMENT CORPORATION DBA BUILDING FUTURES WITH WOMEN AND CHILDREN, AND SUBSIDIARY
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YEARS ENDED JUNE 30, 2024 AND 2023

NOTE I - COMMITMENTS AND CONTINGENCIES (Continued)

grantors. The Organization deems this contingency remote since by accepting the grants and their terms it has accommodated the objectives of the organization to the provisions of the grant. Management is of the opinion that the organization has complied with the terms of all grants.

The Organization receives a substantial amount of its support from the State of California, Alameda County, City of Oakland, City of San Leandro and the City of Alameda. The Organization's programs and activities are dependent upon the availability of these funds. A significant reduction in the level of government support may impact the ability of the Organization to remain a going concern. The amount that would be considered a significant reduction in funding from government agencies cannot be determined as of the consolidated financial statement date.

NOTE J – NET ASSETS

At June 30, the Organization's net assets with donor restrictions consisted of the following grants:

	<u>2024</u>	<u>2023</u>
<i>Cornerstone Community Development Corporation</i>		
IHN Program	\$ 190,374	\$184,868
Kaiser Foundation	<u>0</u>	<u>25,000</u>
Total Net Assets with Donor Restrictions	<u>\$ 190,374</u>	<u>\$209,868</u>
<i>BCC, Inc.</i>		
Net Property and Equipment	<u>\$2,227,535</u>	<u>\$2,313,622</u>
Total Net Assets with Donor Restrictions	<u>\$2,227,535</u>	<u>\$2,313,622</u>

Net Assets released from restrictions during the year ended June 30, consisted of the following:

	<u>2024</u>	<u>2023</u>
Satisfaction of purpose restriction:		
<i>Cornerstone Community Development Corporation</i>		
IHN Program	\$20,582	\$34,332
Kaiser Foundation	<u>25,000</u>	<u>0</u>
Total net assets released from donor restrictions	<u>\$45,582</u>	<u>\$34,332</u>
Satisfaction of purpose restriction:		
<i>BCC, Inc.</i>		
Net Property and Equipment	<u>\$86,087</u>	<u>\$86,087</u>
Total net assets released from donor restrictions	<u>\$86,087</u>	<u>\$86,087</u>

**CORNERSTONE COMMUNITY DEVELOPMENT CORPORATION DBA BUILDING
FUTURES WITH WOMEN AND CHILDREN, AND SUBSIDIARY**
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023

NOTE K – IN-KIND DONATIONS

Donated meals, food and other goods and services for the years ended June 30, 2024 and 2023, included in the financial statements were as follows:

	<u>2024</u>	<u>2023</u>
Food	\$142,868	\$144,287
Meal preparation volunteer hours	116,288	37,296
Children’s program & shelter volunteer hours	9,904	0
Development volunteer hours	26,240	12,600
Donated goods for program and clients	<u>23,151</u>	<u>38,092</u>
	<u>\$318,451</u>	<u>\$232,275</u>

NOTE L – SUBSEQUENT EVENTS

On June 24, 2024, the Organization was named in a class action PAGA lawsuit that went to mediation after the end of the fiscal year. As of the date of this report, there was a tentative settlement that requires the payment of \$200,000 over 32 months. The first is expected to be made in 2025 with 8 monthly payments of \$5,000 each, followed by 8 monthly payments of \$6,000 each, the 16 monthly payments of 7,000 each. The settlement has not yet been finalized.

These consolidated financial statements were approved by the management of the Organization and available for issuance on January 21, 2025. The Organization has evaluated subsequent events through January 21, 2025.

ADDITIONAL INFORMATION

**CORNERSTONE COMMUNITY DEVELOPMENT CORPORATION DBA BUILDING FUTURES WITH
WOMEN AND CHILDREN, AND SUBSIDIARY**
SCHEDULE OF EXPENDITURES OF FEDERAL, STATE, COUNTY AND CITY AWARDS
YEAR ENDED JUNE 30, 2024

Federal Grantor Pass-through Grantor/State Pass-through Grantor/County Program Title	Federal - Listing Number	Pass-through Grantor's Contract Number	Contract Period	Award Amount	Amount Expended
FEDERAL AWARDS:					
Department of Housing and Urban Development					
Passed through State of California					
Emergency Solutions Grant Program					
Rapid Re-Housing and Emergency Shelter Services	14.231	C-26325	7/1/23-6/30/24	\$339,089	\$328,015
Passed through City of Oakland					
Transitional housing & support services for North County PATH					
	14.231	88160, 89247	7/1/23-6/30/24	230,100	173,959
Subtotal	14.231			569,189	501,974
Passed through Alameda Point Collaborative					
Supportive Housing Program					
Admin-Asset Management	14.235	Not Available	7/1/23-6/30/24	85,000	85,000
		Not Available	7/1/23-6/30/24	38,000	38,000
Subtotal	14.235			123,000	123,000
Bessie Coleman Court, Inc.					
Permanent Supportive Housing Program	14.267	CA1467L9T022106	10/1/23-9/30/24	267,166	60,998
Permanent Supportive Housing Program	14.267	CA1467L9T022207	10/1/22-9/30/23	267,166	183,261
HUD CoC - DV SSO CES	14.267	CA1738D9T022103	1/1/23-12/31/23	160,137	93,946
HUD CoC - DV SSO CES	14.267	CA1738D9T022204	1/1/24-12/31/24	160,137	93,320
Passed through Satellite Affordable Housing Agency					
Redwood Hills - CoC					
	14.267	Not Available	7/1/23-6/30/24	61,626	\$55,951
Passed through Alameda County					
Housing and Community Development Program					
Supportive Housing Program - Linkages	14.267	25502	3/1/23-2/28/24	56,808	35,070
Supportive Housing Program - Linkages	14.267	26558	3/1/24-2/29/25	56,808	13,019
Passed through Alameda County					
Tenant-based rental assist & supportive services					
	14.267	C-23719	12/1/22-11/30/23	722,928	265,948
Tenant-based rental assist & supportive services	14.267	C-25478	12/1/23-11/30/24	691,810	350,114
Passed through City of Oakland					
Community Development Block Grant					
Community Development Block Grant	14.267	89198	11/1/22-10/31/23	814,847	253,737
Community Development Block Grant	14.267	89198	11/1/22-10/31/23	840,283	572,007
Subtotal	14.267			4,099,716	1,977,371
Passed through City of San Leandro					
Community Development Block Grant					
Emergency Homeless Shelter -San Leandro	14.218	61481	7/1/23-6/30/24	50,000	50,000
Community Development Block Grant					
Improvements Loan	14.218	J9JDRNHKRYU7	7/1/23-6/30/24	65,229	65,229
Community Development Block Grant					
Improvements ARPA	14.218	61493	7/01/23-6/30/25	85,000	85,000
Passed through City of Alameda					
Community Development Block Grant					
Emergency Homeless Shelter - Midway	14.218	Not Available	7/1/23-6/30/24	105,505	105,505
Total CDBG Entitlement Grants Cluster	14.218			305,734	305,734
Department of Homeland Security					
Passed through United Way of America					
Emergency Food and Shelter Program-ARPA					
	97.024	ARPA-R	11/1/21-12/31/2023	100,000	2,831
Emergency Food and Shelter Program	97.024	Phase 40	11/1/21-12/31/2023	15,000	15,000
Emergency Food and Shelter Program	97.024	Phase 41	10/1/22-12/31/2024	43,000	0
Subtotal				158,000	17,831

**CORNERSTONE COMMUNITY DEVELOPMENT CORPORATION DBA BUILDING FUTURES WITH
WOMEN AND CHILDREN, AND SUBSIDIARY**
SCHEDULE OF EXPENDITURES OF FEDERAL, STATE, COUNTY AND CITY AWARDS
YEAR ENDED JUNE 30, 2024

Federal Grantor Pass-through Grantor/State Pass-through Grantor/County Program Title	Federal - Listing Number	Pass-through Grantor's Contract Number	Contract Period	Award Amount	Amount Expended
Department of Justice					
Passed Through State of California California Office of Emergency Services					
Domestic Violence Assistance Program-FVPA	16.575	DV22-22-1770	10/1/22-9/30/23	\$79,898	\$1,352
Domestic Violence Assistance Program-VOCA	16.575	DV22-22-1770	10/1/22-9/30/23	255,709	12,699
Domestic Violence Assistance Program-FVPS	16.575	DV23-23-1770	10/1/23-9/30/24	85,133	85,133
Domestic Violence Assistance Program-VOCA	16.575	DV23-23-1770	10/1/23-9/30/24	250,474	149,173
Subtotal				<u>671,214</u>	<u>248,357</u>
U.S. Department of Treasury					
Passed through City of Alameda Coronavirus State and Local Fiscal Recovery Fund Midway Shelter Public Improvement - ARPA					
	21.027	J9JDRNHKRYU7	11/10/22-12/31/24	1,800,000	384,474
Subtotal				<u>1,800,000</u>	<u>384,474</u>
Total Federal Awards				<u>\$7,726,853</u>	<u>\$3,558,741</u>
STATE AWARDS:					
Passed through Family Violence Law Center Passed through Alameda County Workforce and Resource Development CalWORKS Domestic Violence Services					
	N/A	900177	7/1/23-6/30/24	\$70,000	\$70,000
California Office of Emergency Services-Cal-OES					
Domestic Violence Assistance Program-DVPO	N/A	DV22-22-1770	10/1/22-9/30/23	201,981	99,615
Domestic Violence Assistance Program-DVPO	N/A	DV23-23-1770	10/1/23-9/30/24	201,981	77,565
Total State Awards				<u>\$473,962</u>	<u>\$247,180</u>
COUNTY AWARDS:					
Alameda County Housing and Homelessness Services					
CalWORKS Housing Support Program Rapid Rehousing Program	N/A	22362	07/1/21-06/30/24	\$5,838,162	\$2,648,862
Alameda County Social Services Agency Shelter Services					
Emergency Shelters Programs	N/A	21968	7/01/23-6/30/24	890,651	890,651
Emergency Warming Shelter	N/A	31091	11/1/23-5/31/24	100,000	86,882
Passed through Alameda County Special Welfare Programs					
Domestic Violence Center Act, Shelter Services	N/A	20917	1/1/21-6/20/25	65,088	26,035
Alameda County-Health Care Services Agency (OHCC)					
Cal-AIM	N/A	24731	1/1/23-12/31/24	1,320,000	1,191,240
Cal-AIM- Staffing Capacity Building	N/A	24732	1/1/23-06/30/2024	180,000	100,000
Gender Based Violence Access Point	N/A	22376	01/01/23-12/31/24	585,485	237,275
Access Point CES	N/A	22376	1/1/21-12/31/24	2,406,831	657,131
Total County Awards				<u>\$11,386,217</u>	<u>\$5,838,076</u>

**CORNERSTONE COMMUNITY DEVELOPMENT CORPORATION DBA BUILDING FUTURES WITH
WOMEN AND CHILDREN, AND SUBSIDIARY**
SCHEDULE OF EXPENDITURES OF FEDERAL, STATE, COUNTY AND CITY AWARDS
YEAR ENDED JUNE 30, 2024

Federal Grantor Pass-through Grantor/State Pass-through Grantor/County Program Title	Federal - Listing Number	Pass-through Grantor's Contract Number	Contract Period	Award Amount	Amount Expended
CITY AWARDS:					
City of San Leandro					
Mobile Street Outreach	N/A	60182	7/1/22-6/30/25	\$596,965	\$147,655
Mid-County Shelters-Operating Subsidies	N/A	60182	11/1/22-06/30/24	585,391	448,375
Passed through Family Violence Law Center					
DV Mobile Outreach	N/A	Unknown	3/1/22-12/31/23	73,624	50,727
DV Mobile Outreach	N/A	Unknown	1/1/24-6/30/25	100,000	3,945
State Bar of California - Homeless Prevention (HP 4)	N/A	Unknown	3/1/23-6/30/24	15,000	2,850
City of Alameda					
Case Management	N/A	Unknown	7/1/23-6/30/25	51,250	19,836
Warming Shelter	N/A	Not Available	12/6/23-5/31/24	113,006	64,378
Emergency Services Street Outreach Flexible Funding		Unknown	6/15/23-6/30/24	41,875	41,875
BCC Public Improvement		Unknown	4/3/24-6/30/24	9,900	9,900
City of Oakland					
OPRI	N/A	89851	7/1/23-6/30/24	1,380,735	1,198,932
Cal-HCH		89391	11/1/22-06/30/24	1,015,370	383,383
Total City Awards				<u>\$3,983,116</u>	<u>\$2,371,856</u>

**CORNERSTONE COMMUNITY DEVELOPMENT CORPORATION DBA BUILDING FUTURES WITH
WOMEN AND CHILDREN, AND SUBSIDIARY**
COMBINING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Bessie Coleman Court, Inc.		Consolidated Eliminating Entries	Total 2024
			Without Donor Restrictions	With Donor Restrictions		
ASSETS						
CURRENT ASSETS:						
Cash and cash equivalents	\$1,104,004	\$341,073	\$121,091	\$42,639	\$	\$1,608,807
Grants receivable (Note D)	2,433,996					2,433,996
Accounts receivable (Note D)			145,398			145,398
Prepaid expenses	12,697					12,697
TOTAL CURRENT ASSETS	3,550,697	341,073	266,489	42,639	0	4,200,898
PROPERTY AND EQUIPMENT, net of accumulated depreciation and amortization at June 30, 2024 of \$3,099,453. (Note E)	1,231,439		65,322	2,927,535		4,224,296
RIGHT OF USE ASSETS (Note H)	1,034,156					1,034,156
DEPOSITS	47,384					47,384
TOTAL ASSETS	\$5,863,676	\$341,073	\$331,811	\$2,970,174	\$0	\$9,506,734
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES:						
Accounts payable and accrued expenses	\$58,206	\$91,777	\$75,514	\$	\$	\$225,497
Accrued payroll expenses	195,080					195,080
Accrued vacations	205,607					205,607
Rental security deposits				42,639		42,639
Contract Advances		58,922				58,922
Current portion of long term debt (Note G)	31,462					31,462
Current portion of lease liability (Note H)	39,662					39,662
Current portion of other liabilities (Note K)	30,000					30,000
TOTAL CURRENT LIABILITIES	560,017	150,699	75,514	42,639	0	828,869
LONG TERM DEBT (Note G)	524,535			700,000		1,224,535
LEASE LIABILITY (Note H)	1,030,015					1,030,015
OTHER LIABILITIES (Note K)	170,000					170,000
COMMITMENTS AND CONTINGENCIES (Note I)						
NET ASSETS (DEFICIT) (Note J)	3,579,109	190,374	256,297	2,227,535		6,253,315
TOTAL LIABILITIES AND NET ASSETS	\$5,863,676	\$341,073	\$331,811	\$2,970,174	\$0	\$9,506,734

See Notes to Additional Information

**CORNERSTONE COMMUNITY DEVELOPMENT CORPORATION DBA BUILDING FUTURES WITH
WOMEN AND CHILDREN, AND SUBSIDIARY
COMBINING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023**

			Bessie Coleman Court, Inc.			
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Consolidated Eliminating Entries	Total 2023
ASSETS						
CURRENT ASSETS:						
Cash and cash equivalents	\$1,234,447	\$345,257	\$159,667	\$25,714	\$	\$1,765,085
Grants receivable (Note D)	2,157,025					2,157,025
Accounts receivable (Note D)	2,357		124,722			127,079
Due to/from other funds			0			
Prepaid expenses	4,071					4,071
TOTAL CURRENT ASSETS	3,397,900	345,257	284,389	25,714	0	4,053,260
PROPERTY AND EQUIPMENT, net of accumulated depreciation and amortization at June 30, 2023 of \$2,916,216 (Note E)	1,046,701		65,677	3,025,267		4,137,645
RIGHT OF USE ASSETS (Note H)	1,367,134					1,367,134
DEPOSITS	47,384					47,384
TOTAL ASSETS	\$5,859,119	\$345,257	\$350,066	\$3,050,981	\$0	\$9,605,423
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES:						
Accounts payable and accrued expenses	\$81,441	\$	\$18,875	\$	\$	\$100,316
Accrued payroll expenses	179,028					179,028
Accrued vacation	195,698					195,698
Rental security deposits				25,714		25,714
Contract Advances		135,389				135,389
Current portion of long term debt (Note G)	22,717			11,645		34,362
Current portion of lease liability (Note H)	26,099					26,099
TOTAL CURRENT LIABILITIES	504,983	135,389	18,875	37,359	0	696,606
LONG TERM DEBT (Note G)	525,935			700,000		1,225,935
LEASE LIABILITY (Note H)	1,363,639					1,363,639
COMMITMENTS AND CONTINGENCIES (Note I)						
NET ASSETS (DEFICIT) (Note J)	3,464,562	209,868	331,191	2,313,622		6,319,243
TOTAL LIABILITIES AND NET ASSETS	\$5,859,119	\$345,257	\$350,066	\$3,050,981	\$0	\$9,605,423

See Notes to Additional Information

**CORNERSTONE COMMUNITY DEVELOPMENT CORPORATION DBA BUILDING FUTURES
WITH WOMEN AND CHILDREN, AND SUBSIDIARY**
COMBINING STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

			Bessie Coleman Court, Inc.		Consolidated Eliminating Entries	Total 2024
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions		
SUPPORT AND REVENUE						
Support:						
Foundations and community organizations	\$672,831	\$	\$	\$	\$	\$672,831
Donations	154,437					154,437
In-kind donations (Note B and Note K)	318,451					318,451
Total Support	<u>1,145,719</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,145,719</u>
Revenue:						
Government	11,744,789		644,823			12,389,612
Rental income			331,194			331,194
Other revenue	169,465	26,088	4,060		(72,300)	127,313
Fundraising	67,146					67,146
Forgiveness of debt	24,873		12,000			36,873
Total Revenue	<u>12,006,273</u>	<u>26,088</u>	<u>992,077</u>	<u>0</u>	<u>(72,300)</u>	<u>12,952,138</u>
Net Assets Released From Restrictions	<u>45,582</u>	<u>(45,582)</u>	<u>86,087</u>	<u>(86,087)</u>		<u>0</u>
TOTAL SUPPORT AND REVENUE	<u>13,197,574</u>	<u>(19,494)</u>	<u>1,078,164</u>	<u>(86,087)</u>	<u>(72,300)</u>	<u>14,097,857</u>
EXPENSES						
Program						
San Leandro Shelter	920,625					920,625
Sister Me Home Safe house	755,036					755,036
Midway Shelter	1,017,262					1,017,262
Domestic Violence Outreach	673,223					673,223
Bessie Coleman Court Program	379,861					379,861
Housing Services	7,030,748					7,030,748
Other Program Services	808,777					808,777
Bessie Coleman Court, Inc.			1,153,058		(72,300)	1,080,758
Total program expenses	<u>11,585,532</u>		<u>1,153,058</u>		<u>(72,300)</u>	<u>12,666,290</u>
Support						
Administration	845,973		0			845,973
Fundraising	651,522					651,522
Total support expenses	<u>1,497,495</u>		<u>0</u>		<u>0</u>	<u>1,497,495</u>
TOTAL EXPENSES	<u>13,083,027</u>	<u>0</u>	<u>1,153,058</u>	<u>0</u>	<u>(72,300)</u>	<u>14,163,785</u>
CHANGE IN NET ASSETS	114,547	(19,494)	(74,894)	(86,087)	0	(65,928)
NET ASSETS, beginning of year	3,464,562	209,868	331,191	2,313,622	0	6,319,243
NET ASSETS, end of year	<u>\$3,579,109</u>	<u>\$190,374</u>	<u>\$256,297</u>	<u>\$2,227,535</u>	<u>\$0</u>	<u>\$6,253,315</u>

See Notes to Additional Information

**CORNERSTONE COMMUNITY DEVELOPMENT CORPORATION DBA BUILDING FUTURES
WITH WOMEN AND CHILDREN, AND SUBSIDIARY**
COMBINING STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Bessie Coleman Court, Inc.		Consolidated Eliminating Entries	Total 2023
			Without Donor Restrictions	With Donor Restrictions		
SUPPORT AND REVENUE						
Support:						
Foundations and community organizations	\$695,725	\$25,000	\$	\$	\$	\$720,725
Donations	179,932					179,932
In-kind donations (Note B and Note K)	232,275					232,275
Total Support	1,107,932	25,000	0	0	0	1,132,932
Revenue:						
Government	11,000,523		615,038			11,615,561
Rental income			404,111			404,111
Other revenue	201,043	219,200	3,228		(56,160)	367,311
Fundraising	69,632					69,632
Forgiveness of debt	24,873		12,000			36,873
Total Revenue	11,296,071	219,200	1,034,377	0	(56,160)	12,493,488
Net Assets Released From Restrictions	34,332	(34,332)	86,087	(86,087)		0
TOTAL SUPPORT AND REVENUE	12,438,335	209,868	1,120,464	(86,087)	(56,160)	13,626,420
EXPENSES						
Program						
San Leandro Shelter	730,181					730,181
Sister Me Home Safe house	853,741					853,741
Midway Shelter	1,314,802					1,314,802
Domestic Violence Outreach	617,558					617,558
Bessie Coleman Court Program	391,504					391,504
Housing Services	5,927,740					5,927,740
Other Program Services	1,048,715					1,048,715
Bessie Coleman Court, Inc.			1,164,859		(56,160)	1,108,699
Total program expenses	10,884,241		1,164,859		(56,160)	11,992,940
Support						
Administration	487,163					487,163
Fundraising	560,955					560,955
Total support expenses	1,048,118		0		0	1,048,118
TOTAL EXPENSES	11,932,359	0	1,164,859	0	(56,160)	13,041,058
CHANGE IN NET ASSETS	505,976	209,868	(44,395)	(86,087)	0	585,362
NET ASSETS, beginning of year	2,958,586	0	375,586	2,399,709	0	5,733,881
NET ASSETS, end of year	<u>\$3,464,562</u>	<u>\$209,868</u>	<u>\$331,191</u>	<u>\$2,313,622</u>	<u>\$0</u>	<u>\$6,319,243</u>

See Notes to Additional Information

CORNERSTONE COMMUNITY DEVELOPMENT CORPORATION DBA BUILDING FUTURES WITH WOMEN AND CHILDREN, AND SUBSIDIARY
NOTES TO ADDITIONAL INFORMATION
YEAR ENDED JUNE 30, 2023

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Cornerstone Community Development Corporation dba Building Futures with Women and Children, and Subsidiary 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 basic consolidated financial statements.

NOTE B – FEDERAL EXPENDITURES

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The amount of federal expenditures represents the amount of federal funds expended during the fiscal year ended June 30, 2024. A threshold of \$750,000 was used to distinguish between Type A and Type B programs as those terms are defined in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements*. The Organization’s major federal award programs were:

Continuum of Care Grant Program CFDA #14.267

The Organization has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C – FEDERAL LOAN BALANCES

Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the schedule. The loans disclosed on the accompanying schedule of expenditures of federal awards, that were expended in prior years, are subject to providing housing services to the community until the loan expiration dates.

The balance of the loans outstanding at June 30, 2024 consists of:

<u>Assistance Listing Number</u>	<u>Program Name</u>	<u>Original Loan Balance</u>	<u>Outstanding Balance 6/30/24</u>
14.218	Capital Improvement Loan	\$ 65,229	\$ 65,229
14.218	Capital Improvement Loan	143,725	143,725
14.228	Supportive Housing Loan	400,000	400,000
14.228	Community Dev Block Grant	120,000	120,000

ADDITIONAL REPORTS



Patricia A. Wintroath, CPA

Independent Auditor's Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Consolidated Financial Statements
Performed in accordance with *Government Auditing Standards*

Board of Directors
Cornerstone Community Development Corporation
dba Building Futures with Women
and Children, and Subsidiary
San Leandro, California 94577

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 Cornerstone Community Development Corporation dba Building Futures with Women and Children, and Subsidiary (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated December 29, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Cornerstone Community Development Corporation dba Building Futures with Women and Children, and Subsidiary'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 my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Cornerstone Community Development Corporation dba Building Futures with Women and Children, and Subsidiary's internal control. Accordingly, I do not express an opinion on the effectiveness of the Association'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 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. Given these limitations, during my audit I did not identify any deficiencies in internal control that I

consider to be material weaknesses. However, material weaknesses and significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cornerstone Community Development Corporation dba Building Futures with Women and Children, and Subsidiary's financial statements are free of material misstatement, I 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 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 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 my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Association'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 Association's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Patricia A. Wintroath, CPA

Patricia A. Wintroath, CPA
Walnut Creek, CA

January 21, 2025



Patricia A. Wintroath, CPA

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

Board of Directors
Cornerstone Community Development Corporation
dba Building Futures with Women
and Children, and Subsidiary
San Leandro, California 94577

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

I have audited Cornerstone Community Development Corporation dba Building Futures with Women and Children, and Subsidiary's 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 Cornerstone Community Development Corporation dba Building Futures with Women and Children, and Subsidiary's major federal programs for the year ended June 30, 2024. Cornerstone Community Development Corporation dba Building Futures with Women and Children, and Subsidiary's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In my opinion, Cornerstone Community Development Corporation dba Building Futures with Women and Children, and Subsidiary 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, 2024.

Basis for Opinion on Each Major Federal Program

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). My responsibility under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of my report.

I am required to be independent of Cornerstone Community Development Corporation dba Building Futures with Women and Children, and Subsidiary and to meet my other ethical responsibilities, in accordance with relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on compliance for each major federal program. My audit does not provide a legal determination of Cornerstone Community Development Corporation dba Building Futures with Women and Children, and Subsidiary'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 Cornerstone Community Development Corporation dba Building Futures with Women and Children, and Subsidiary's federal programs.

Auditor's Responsibilities for the Audit of Compliance

My 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 Cornerstone Community Development Corporation dba Building Futures with Women and Children, and Subsidiary's compliance based on my 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 Cornerstone Community Development Corporation dba Building Futures with Women and Children, and Subsidiary'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, I:

- 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 Cornerstone Community Development Corporation dba Building Futures with Women and Children, and Subsidiary's compliance with the compliance requirements referred to above and performing such other procedures as I considered necessary in the circumstances.
- Obtain an understanding of Cornerstone Community Development Corporation dba Building Futures with Women and Children, and Subsidiary'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 Cornerstone Community Development Corporation dba Building Futures with Women and Children, and Subsidiary's internal control over compliance. Accordingly, no such opinion is expressed.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

My consideration of the internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance. Given these limitations, during my audit I did not identify any deficiencies in internal control over compliance that I 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.

My 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 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.

Patricia A. Wintroath, CPA

Patricia A. Wintroath, CPA
Walnut Creek, CA
January 21, 2025

CORNERSTONE COMMUNITY DEVELOPMENT CORPORATION DBA BUILDING FUTURES WITH WOMEN AND CHILDREN, AND SUBSIDIARY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the consolidated financial statements of Cornerstone Community Development Corporation dba Building Futures with Women and Children, and Subsidiary
2. No significant deficiencies relating to the audit of the consolidated financial statements are reported in the *Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Consolidated Financial Statements Performed in Accordance With Government Auditing Standards*.
3. No instances of noncompliance material to the consolidated financial statements of Cornerstone Community Development Corporation dba Building Futures with Women and Children, and Subsidiary were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the *Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements*.
5. The Auditor's report on compliance for major federal award programs for Cornerstone Community Development Corporation dba Building Futures with Women and Children, and Subsidiary expresses an unqualified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations 200.516(a) are reported in this Schedule. (No findings were noted.)
7. The programs tested as major programs include: Department of Housing and Urban Development, Continuum of Care Grant Program, CFDA No. 14.267;
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. Cornerstone Community Development Corporation dba Building Futures with Women and Children, and Subsidiary qualified as a low risk auditee.

FINDINGS – FINANCIAL STATEMENTS AUDIT

None

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

**CORNERSTONE COMMUNITY DEVELOPMENT CORPORATION DBA BUILDING
FUTURES WITH WOMEN AND CHILDREN, AND SUBSIDIARY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2024**

There were no prior year audit findings.