

**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, 2022 and 2021**

## TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT .....	1-3
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Statements of Financial Position .....	4
Consolidated Statements of Activities .....	5-6
Consolidated Statements of Functional Expenses .....	7-8
Consolidated Statements of Cash Flows .....	9
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS .....	10-24
ADDITIONAL INFORMATION .....	25
Schedule of Expenditures of Federal, State County and City Awards .....	26-28
Combining Statements of Position .....	29-30
Combining Statements of Activities .....	31-32
Notes to Additional Information .....	33
ADDITIONAL REPORTS .....	34-39
SCHEDULE OF FINDINGS AND QUESTIONED COSTS .....	40
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS .....	41



*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 consolidated 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, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In my opinion, the accompanying consolidated 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, 2022 and 2021, 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 Consolidated 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 Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 consolidated financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Consolidated financial statements**

My objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 26-33, is presented for purposes of

additional analysis, and is not a required part of the basic consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated 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 20, 2023, 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.

*Patricia A. Wintworth, CPA*

Certified Public Accountant  
Walnut Creek, CA  
February 20, 2023

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

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2022 AND 2021**

	<u>Total 2022</u>	<u>Total 2021</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$1,326,808	\$959,408
Grants receivable (Note D)	1,879,356	1,508,979
Accounts receivable (Note D)	153,672	134,249
Prepaid expenses	16,455	29,990
	<u>3,376,291</u>	<u>\$2,632,626</u>
<b>PROPERTY AND EQUIPMENT, net of accumulated depreciation and amortization at June 30, 2022 and 2021 of \$2,730,573 and \$2,568,525, respectively (Note E)</b>	<u>4,323,576</u>	<u>4,392,419</u>
<b>DEPOSITS</b>	<u>47,384</u>	<u>22,254</u>
<b>TOTAL ASSETS</b>	<u><u>\$7,747,251</u></u>	<u><u>\$7,047,299</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable and accrued expenses	\$177,217	\$184,406
Accrued payroll expenses	163,725	133,840
Accrued vacation	171,393	153,320
Rental security deposits	28,506	27,074
Contract Advances	160,795	120,797
Current portion of long term debt (Note G)	37,294	30,162
	<u>738,930</u>	<u>649,599</u>
<b>LONG TERM DEBT (Note G)</b>	<u>1,274,440</u>	<u>1,152,620</u>
<b>COMMITMENTS AND CONTINGENCIES (Note H)</b>		
<b>NET ASSETS:</b>		
Without Donor Restrictions	3,334,172	2,759,639
With Donor Restrictions	2,399,709	2,485,441
<b>NET ASSETS (Note I)</b>	<u>5,733,881</u>	<u>5,245,080</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$7,747,251</u></u>	<u><u>\$7,047,299</u></u>

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, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Support:			
Foundations and community organizations	\$762,372	\$	\$762,372
Donations	340,464		340,464
In-kind donations (Note B and Note J)	235,167		235,167
<b>Total Support</b>	<b>1,338,003</b>	<b>0</b>	<b>1,338,003</b>
Revenue:			
Government	8,871,628	0	8,871,628
Rental income	416,373	0	416,373
Other revenue	34,799	21,991	56,790
Fundraising	60,455	0	60,455
Forgiveness of debt	37,228	0	37,228
<b>Total Revenue</b>	<b>9,420,483</b>	<b>21,991</b>	<b>9,442,474</b>
Net Assets Released From Restrictions	107,723	(107,723)	0
<b>TOTAL SUPPORT AND REVENUE</b>	<b>10,866,209</b>	<b>(85,732)</b>	<b>10,780,477</b>
<b>EXPENSES</b>			
Program			
San Leandro Shelter	930,534		930,534
Sister Me Home Safe house	732,468		732,468
Midway Shelter	795,773		795,773
Domestic Violence Outreach	424,639		424,639
Bessie Coleman Court Program	366,360		366,360
Housing Services	4,254,493		4,254,493
Other Program Services	876,029		876,029
Bessie Coleman Court, Inc.	999,935		999,935
<b>Total program expenses</b>	<b>9,380,231</b>		<b>9,380,231</b>
Support			
Administration	326,860		326,860
Fundraising	584,585		584,585
<b>Total support expenses</b>	<b>911,445</b>		<b>911,445</b>
<b>TOTAL EXPENSES</b>	<b>10,291,676</b>	<b>0</b>	<b>10,291,676</b>
<b>CHANGE IN NET ASSETS</b>	<b>574,533</b>	<b>(85,732)</b>	<b>488,801</b>
NET ASSETS, beginning of year	2,759,639	2,485,441	5,245,080
NET ASSETS, end of year	<u>\$3,334,172</u>	<u>\$2,399,709</u>	<u>\$5,733,881</u>

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, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Support:			
Foundations and community organizations	\$739,369		\$739,369
Donations	287,383		287,383
In-kind donations (Note B and Note J)	198,418		198,418
Total Support	<u>1,225,170</u>	<u>0</u>	<u>1,225,170</u>
Revenue:			
Government	7,454,020	0	7,454,020
Rental income	541,002		541,002
Other revenue	3,927		3,927
Fundraising	37,735		37,735
Forgiveness of debt	1,544,090		1,544,090
Total Revenue	<u>9,580,774</u>	<u>0</u>	<u>9,580,774</u>
Net Assets Released From Restrictions	<u>58,066</u>	<u>(58,066)</u>	<u>0</u>
<b>TOTAL SUPPORT AND REVENUE</b>	<u>10,864,010</u>	<u>(58,066)</u>	<u>10,805,944</u>
<b>EXPENSES</b>			
Program			
San Leandro Shelter	947,383		947,383
Sister Me Home Safe house	601,665		601,665
Midway Shelter	567,646		567,646
Domestic Violence Outreach	301,834		301,834
Bessie Coleman Court Program	248,647		248,647
Housing Services	3,548,478		3,548,478
Other Program Services	1,037,361		1,037,361
Bessie Coleman Court, Inc.	951,763		951,763
Total program expenses	<u>8,204,777</u>		<u>8,204,777</u>
Support			
Administration	480,504		480,504
Fundraising	437,117		437,117
Total support expenses	<u>917,621</u>		<u>917,621</u>
<b>TOTAL EXPENSES</b>	<u>9,122,398</u>	<u>0</u>	<u>9,122,398</u>
<b>CHANGE IN NET ASSETS</b>	<u>1,741,612</u>	<u>(58,066)</u>	<u>1,683,546</u>
NET ASSETS, beginning of year	<u>1,018,027</u>	<u>2,543,507</u>	<u>3,561,534</u>
NET ASSETS, end of year	<u>\$2,759,639</u>	<u>\$2,485,441</u>	<u>\$5,245,080</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, 2022**

	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	\$387,444	\$470,295	\$433,721	\$205,978	\$254,441	\$962,363	\$311,178	\$184,607	\$3,210,027	\$142,742	\$345,547	\$488,289	\$3,698,316
Payroll taxes	31,520	39,218	35,771	17,170	20,734	77,150	24,817	16,365	262,745	12,807	28,445	41,252	303,997
Employee benefits	45,187	39,192	39,120	24,085	35,916	146,045	34,161	49,571	413,277	21,351	22,708	44,059	457,336
<b>Total personnel expenses</b>	<b>464,151</b>	<b>548,705</b>	<b>508,612</b>	<b>247,233</b>	<b>311,091</b>	<b>1,185,558</b>	<b>370,156</b>	<b>250,543</b>	<b>3,886,049</b>	<b>176,900</b>	<b>396,700</b>	<b>573,600</b>	<b>4,459,649</b>
Occupancy	99,043	50,366	59,564	24,132	132	91,647	12,511	223,761	561,156	38,375	23,549	61,924	623,080
Depreciation						8,907		98,087	106,994	55,054		55,054	162,048
Repairs and maintenance								110,810	110,810			0	110,810
Supplies and food	56,184	16,025	41,959	1,364	7,997	8,288	12,742	91	144,650	33,368	881	34,249	178,899
Professional services	26,615	36,829	21,321	95,727	8,148	67,326	11,783	7,563	275,312	78,661	76,359	155,020	430,332
Insurance	4,590	5,363	3,349	1,108	15,338	4,712	2,727	13,200	50,387	31,718	1,353	33,071	83,458
Communication	13,385	8,027	7,720	1,983	4,756	15,691	5,976	9,716	67,254	7,422	2,945	10,367	77,621
Other direct client assistance		29,379	3,515	26,684	359	2,705,947	281,457	266,111	3,313,452		11,415	11,415	3,324,867
Interest expense									0	2,022		2,022	2,022
Legal and accounting		5,004						715	5,719	27,520		27,520	33,239
Client transportation	450	127	450		252	781	63,695		65,755			0	65,755
Other expenses	3,421	9,334	10,026	21,364	3,880	107,826	84,059	2,076	241,986	(143,454)	46,414	(97,040)	144,946
Staff travel	414	911	1,769	183		10,494	4,950	1,255	19,976	822	179	1,001	20,977
Annual fundraiser event-direct expenses									0		7,846	7,846	7,846
Equipment purchase and rental	4,331	14,958	15,373	4,861	12,547	39,876	24,113	15,777	131,836	6,059	9,924	15,983	147,819
Project construction	155,095		21,635						176,730				176,730
Merchant and bank fees								230	230	2,793	3,388	6,181	6,411
In-kind supplies and services	102,855	7,440	100,480		1,860	7,440	1,860		221,935	9,600	3,632	13,232	235,167
<b>Total expenses</b>	<b>\$930,534</b>	<b>\$732,468</b>	<b>\$795,773</b>	<b>\$424,639</b>	<b>\$366,360</b>	<b>\$4,254,493</b>	<b>\$876,029</b>	<b>\$999,935</b>	<b>\$9,380,231</b>	<b>\$326,860</b>	<b>\$584,585</b>	<b>\$911,445</b>	<b>\$10,291,676</b>

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, 2021**

	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	\$498,829	\$387,832	\$277,400	\$125,337	\$168,020	\$969,342	\$332,584	\$170,215	\$2,929,559	\$185,626	\$187,245	\$372,871	\$3,302,430
Payroll taxes	43,507	33,374	23,923	10,426	13,500	85,740	28,294	14,712	253,476	19,530	16,594	36,124	289,600
Employee benefits	69,390	38,695	31,968	12,979	24,614	129,301	48,584	46,121	401,652	13,353	13,138	26,491	428,143
					0								
Total personnel expenses	611,726	459,901	333,291	148,742	206,134	1,184,383	409,462	231,048	3,584,687	218,509	216,977	435,486	4,020,173
Occupancy	58,723	18,990	29,919	18,767		52,752	23,120	324,124	526,395	38,844	20,097	58,941	585,336
Depreciation								98,088	98,088	53,266		53,266	151,354
Repairs and maintenance	42,073	19,656	31,887		1,700	160	1,635	12,160	109,271	12,697		12,697	121,968
Supplies and food	41,511	15,590	38,637	322	7,952	35,953	52,598	596	193,159	26,797	5,621	32,418	225,577
Professional services	28,289	32,888	17,350	95,589	6,111	49,800	25,518	10,853	266,398	61,073	77,331	138,404	404,802
Insurance	3,116	5,537	2,419	966	12,306	5,272	2,032	13,200	44,848	26,512	1,088	27,600	72,448
Communications	13,488	8,188	7,299	2,352	5,441	14,801	8,997	11,008	71,574	9,349	3,128	12,477	84,051
Other direct client assistance	1,111	6,991	1,137	15,713	1,721	2,108,162	472,319	229,987	2,837,141		55,740	55,740	2,892,881
Interest expense									0	2,331		2,331	2,331
Legal and accounting		6,616		1,612	1,046			11,828	21,102	40,684		40,684	61,786
Client transportation	898	73	529			6,427	246		8,173	586		586	8,759
Other expenses	2,672	6,876	7,512	12,796	340	74,178	21,457	5,279	131,110	(19,723)	48,002	28,279	159,389
Staff travel	311		1,014	26	10	5,913	1,177	636	9,087	211		211	9,298
Annual fundraising event-direct expenses									0		6,943	6,943	6,943
Equipment purchase and rental	5,197	3,945	10,496	4,949	3,189	10,677	16,100	2,755	57,308	6,643	1,192	7,835	65,143
Project construction	47,876								47,876			0	47,876
Merchant and bank fees								201	201	2,666	998	3,664	3,865
In-kind supplies and services	90,392	16,414	86,156		2,697		2,700		198,359	59		59	198,418
Total expenses	<u>\$947,383</u>	<u>\$601,665</u>	<u>\$567,646</u>	<u>\$301,834</u>	<u>\$248,647</u>	<u>\$3,548,478</u>	<u>\$1,037,361</u>	<u>\$951,763</u>	<u>\$8,204,777</u>	<u>\$480,504</u>	<u>\$437,117</u>	<u>\$917,621</u>	<u>\$9,122,398</u>

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, 2022 AND 2021

	Without Donor Restrictions	With Donor Restrictions	Total 2022	Total 2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Change in Net Assets	\$574,533	(\$85,732)	\$488,801	\$1,683,546
Adjustment to reconcile change in net assets to cash provided (used) by operating activities:				
Forgiveness of long term debt	(24,873)	(12,355)	(37,228)	(1,544,090)
Purchase of equipment through long term debt	(35,000)		(35,000)	(23,845)
Loss on disposal of property & equipment			0	67,333
Depreciation	63,961	98,087	162,048	151,354
	<u>578,621</u>	<u>0</u>	<u>578,621</u>	<u>334,298</u>
<b>CHANGES IN CURRENT ASSETS AND CURRENT LIABILITIES</b>				
(Increase) decrease in grants receivable	(370,377)		(370,377)	(435,429)
(Increase) decrease in accounts and pledges receivable	(19,423)		(19,423)	(122,380)
(Increase) decrease in prepaid expenses	13,535		13,535	8,884
(Increase) decrease in deposits	(25,130)		(25,130)	0
Increase (decrease) in accounts payable and accrued expenses	(7,189)		(7,189)	(76,591)
Increase (decrease) in accrued payroll expenses	29,885		29,885	(10,128)
Increase (decrease) in accrued vacation	18,073		18,073	17,890
Increase (decrease) in rental security deposits		1,432	1,432	5,907
Increase (decrease) in contract advances		39,998	39,998	48,424
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>217,995</u>	<u>41,430</u>	<u>259,425</u>	<u>(229,125)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Purchase of property and Equipment	(58,206)		(58,206)	(65,677)
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<u>(58,206)</u>	<u>0</u>	<u>(58,206)</u>	<u>(65,677)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
Proceeds of long term debt	178,726		178,726	27,614
Repayments on loans/ Line of credit	(12,545)		(12,545)	(2,492)
<b>NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES</b>	<u>\$166,181</u>	<u>\$0</u>	<u>166,181</u>	<u>25,122</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>\$325,970</u>	<u>\$41,430</u>	<u>367,400</u>	<u>(269,680)</u>
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<u>\$811,537</u>	<u>\$147,871</u>	<u>959,408</u>	<u>1,229,088</u>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<u>\$1,137,507</u>	<u>\$189,301</u>	<u>\$1,326,808</u>	<u>\$959,408</u>
<b>SUPPLEMENTAL INFORMATION:</b>				
Interest paid			\$2,022	\$2,331
Purchase of equipment with loan proceeds			\$35,000	\$23,845

**CORNERSTONE COMMUNITY DEVELOPMENT CORPORATION DBA BUILDING FUTURES WITH WOMEN AND CHILDREN, AND SUBSIDIARY**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2022 AND 2021

---

**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, 2022 AND 2021

---

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, 2022, the Organization received over 4,590 hours of volunteer meal service for the shelter programs, and approximately 227 hours of volunteer administrative, children's program and shelter services. During the year ended June 30, 2021, the Organization received over 3,426 hours of volunteer meal service for the shelter programs, and approximately 379 hours of volunteer administrative services.

**CORNERSTONE COMMUNITY DEVELOPMENT CORPORATION DBA BUILDING  
FUTURES WITH WOMEN AND CHILDREN, AND SUBSIDIARY**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2022 AND 2021

---

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, 2022 and 2021 were \$13,811 and \$13,200, 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, 2022.

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  
FUTURES WITH WOMEN AND CHILDREN, AND SUBSIDIARY**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2022 AND 2021

---

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 this 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.

**CORNERSTONE COMMUNITY DEVELOPMENT CORPORATION DBA BUILDING  
FUTURES WITH WOMEN AND CHILDREN, AND SUBSIDIARY**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2022 AND 2021

---

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, 2022, 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	\$1,097,370
Grants receivable	<u>1,879,356</u>
	<u>\$2,976,726</u>
 Bessie Coleman Court, Inc.	
Cash	\$ 229,438
Accounts receivable	<u>153,672</u>
	<u>383,110</u>
 Financial assets available within one year	 <u><u>\$3,359,836</u></u>

The Organization does not have an operating reserve.

NOTE D – GRANTS AND ACCOUNTS RECEIVABLE

Grants and accounts receivable at June 30, 2022 consisted of the following:

**Cornerstone Community Development Corporation:**

Funds Without Donor Restrictions

Grants receivable	
Alameda County CDBG	\$ 11,283
Alameda County CESH	22,130
Alameda County SSA Emergency Shelter Services	73,204
Alameda County DVCA	2,170
Alameda County DV SSO CES	9,741
Alameda County FVLC SSA DV	445
Alameda County HSCA DV EHV Coordination	303
Alameda County Midway Shelter Public Improvement	29,753
Alameda County HCSA HCS CalAIM	167,778
Alameda Point Collaborative	9,309
CalOES	40,474
CalWORKS	136,132
CalWORKS – DV Collaborative	113,902
City of Alameda	7,544



**CORNERSTONE COMMUNITY DEVELOPMENT CORPORATION DBA BUILDING  
FUTURES WITH WOMEN AND CHILDREN, AND SUBSIDIARY**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2022 AND 2021

---

NOTE D - GRANTS AND ACCOUNTS RECEIVABLE (Continued)

Funds Without Donor Restrictions

Grants receivable	
City of Oakland	\$ 303,116
City of San Leandro Immediate Impact	12,500
City of San Leandro SL Shelter Consulting Services	6,250
ESG State HRC	355,033
FEMA	39,687
HCSA Access Point	128,277
Housing/Jobs Linkages Program	13,296
HUD BCC CoC	3,062
North County Oakland HUD	251,183
Oakland PATH	13,113
Satellite Affordable Housing Assoc	10,122
Warming Shelter	9,278
WHSL	<u>110,271</u>
Total – Without Donor Restrictions	<u>1,879,356</u>
Total grants and accounts receivable -BFWC	<u>\$1,879,356</u>

**Bessie Coleman Court, Inc.:**

Funds Without Donor Restrictions

Accounts receivable	
HAP rental income	\$ 12,101
APC receivable	83,821
Tenant rents	<u>57,750</u>
Total – Without Donor Restrictions	<u>153,672</u>
Total grants and accounts receivable - BCC, Inc.	<u>\$ 153,672</u>
<b>Total grants and accounts receivable</b>	<b><u>\$2,033,028</u></b>

Grants and accounts receivable at June 30, 2021 consisted of the following:

**Cornerstone Community Development Corporation:**

Funds Without Donor Restrictions

Grants receivable	
Alameda County CDBG	\$ 15,496
Alameda County SSA Emergency Shelter Services	73,204
Alameda County DVCA	4,339
Alameda County DV PSH/HHIS	452,195

**CORNERSTONE COMMUNITY DEVELOPMENT CORPORATION DBA BUILDING  
FUTURES WITH WOMEN AND CHILDREN, AND SUBSIDIARY**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2022 AND 2021

---

NOTE D - GRANTS AND ACCOUNTS RECEIVABLE (Continued)

Funds Without Donor Restrictions

Grants receivable

Alameda County DV SSO CES	8,964
Alameda Point Collaborative	16,808
CalOES	93,803
CalWORKS	126,750
CalWORKS – FVLC	16,771
City of San Leandro CDBG DV	15,618
City of San Leandro Immediate Impact	12,500
City of San Leandro SL Shelter Consulting Services	4,169
City of San Leandro Outreach	31,833
ESG State HRC	36,693
ESG City of Oakland COVID-19	8,889
HCSA Access Point	190,884
Housing/Jobs Linkages Program	\$ 17,873
HUD BCC CoC	1,810
North County Oakland HUD	86,141
Oakland PATH	147,100
Satellite Affordable Housing Assoc	11,360
Warming Shelter	38,134
WHSL	<u>97,645</u>

Total grants receivable \$1,508,979

Accounts receivable

Miscellaneous receivables \$ 3,770

Total accounts receivable 3,770

Total – Without Donor Restrictions \$1,512,749

Total grants and accounts receivable -BFWC \$1,512,749

**Bessie Coleman Court, Inc.:**

Funds Without Donor Restrictions

Accounts receivable

HAP rental income \$ 92,705

Tenant rents 37,774

Total – Without Donor Restrictions 130,479

Total grants and accounts receivable - BCC, Inc. \$ 130,479

**Total grants and accounts receivable \$1,643,228**

**CORNERSTONE COMMUNITY DEVELOPMENT CORPORATION DBA BUILDING  
FUTURES WITH WOMEN AND CHILDREN, AND SUBSIDIARY**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2022 AND 2021

**NOTE D - GRANTS AND ACCOUNTS RECEIVABLE (Continued)**

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, 2022, 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	779,536
Furniture and equipment	157,050	43,417	200,467
Site Acquisition		2,298,240	2,298,240
Leasehold improvements	<u>766,131</u>	<u>2,692,575</u>	<u>3,465,437</u>
	2,019,917	5,034,232	7,054,149
Less: Accumulated Depreciation	<u>885,372</u>	<u>1,845,201</u>	<u>2,730,573</u>
	<u>\$1,134,545</u>	<u>\$3,189,031</u>	<u>\$4,323,576</u>

Property and Equipment as of June 30, 2021, 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	779,536
Furniture and equipment	63,845	43,417	107,262
Site Acquisition		2,298,240	2,298,240
Leasehold improvements	<u>766,131</u>	<u>2,692,575</u>	<u>3,465,437</u>
	1,926,712	5,034,232	6,960,944
Less: Accumulated Depreciation	<u>821,411</u>	<u>1,747,114</u>	<u>2,568,525</u>
	<u>\$1,105,301</u>	<u>\$3,287,118</u>	<u>\$4,392,419</u>

Depreciation and amortization expense for the years ended June 30, 2022 and 2021 was \$162,048 and \$151,354, 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.

**CORNERSTONE COMMUNITY DEVELOPMENT CORPORATION DBA BUILDING  
FUTURES WITH WOMEN AND CHILDREN, AND SUBSIDIARY**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2022 AND 2021

---

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, 2022 and June 30, 2021, the interest rate on the line was 4.6%. The outstanding balance at June 30, 2022 and 2021 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, 2022 and 2021. 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, 2022 and 2021 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. 1/30<sup>th</sup> 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, 2022 and 2021 was \$46,000 and \$51,500, 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 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

**CORNERSTONE COMMUNITY DEVELOPMENT CORPORATION DBA BUILDING  
FUTURES WITH WOMEN AND CHILDREN, AND SUBSIDIARY**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2022 AND 2021

---

NOTE G – LONG TERM DEBT (Continued)

expiration of the 20 year loan period. The balance of the loan at June 30, 2022 and 2021 was \$60,000 and \$65,000, respectively.

A loan from the California Department of Housing and Community Development, in the amount of \$459,213, was received on January 22, 2013. This loan is for capital improvements to be made to the safe house. The term of the loan is 7 years from the date the Notice of Completion is recorded, 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 at the maturity date of the Note. The loan will be due if and when the safe house is sold prior to the expiration of the 7 year loan period. The loan was forgiven on February 24, 2021.

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, 2022 and 2021, was \$305,160.

The Organization obtained a Paycheck Protection Program loan, in the amount of \$624,995, from the Small Business Association which was made available as part of the federal Coronavirus Relief package in May 2020. The loan was forgiven on April 20, 2021, with no interest charged, based on the use of the funds.

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, 2022 and 2021 was \$129,353 and \$3,770, respectively.

**CORNERSTONE COMMUNITY DEVELOPMENT CORPORATION DBA BUILDING  
FUTURES WITH WOMEN AND CHILDREN, AND SUBSIDIARY**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2022 AND 2021

---

NOTE G – LONG TERM DEBT (Continued)

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, 2022 and 2021 was \$13,609 and \$21,352, 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, 2022 and 2021 was \$33,967 and \$0, respectively

**Bessie Coleman Court, Inc.:**

Bessie Coleman Court, Inc.'s long term debt, at June 30, 2022, 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>2022</u>	<u>2021</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:

The second loan is in the amount of \$337,737 from the Bank of the West REID/Community Development Lending. The note was dated June 1, 2005. The terms of the loan are 0% interest with no payments due during the 15 year period commencing on the date of project completion. At the end of the 15 year period, the loan shall be forgiven provided that the Leasehold Estate has been in compliance with the AHP requirements throughout the loan period. The note was forgiven in January 2021.

The third 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

**CORNERSTONE COMMUNITY DEVELOPMENT CORPORATION DBA BUILDING FUTURES WITH WOMEN AND CHILDREN, AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

---

**NOTE G – LONG TERM DEBT (Continued)**

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, conveyance, and assignment encumbrance or change of use of the property. As of June 30, 2022, \$123,552 of the loan was utilized and funded.

	<u>2022</u>	<u>2021</u>
Total due at June 30,	<u>\$23,645</u>	<u>\$36,000</u>
Long term debt	<u>\$23,645</u>	<u>\$36,000</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>
2023	\$ 24,939	\$ 12,355	\$ 37,294
2024	22,762	11,290	34,052
2025	17,558	0	17,558
2026	17,923	0	17,923
2027	16,895	0	16,895
Subsequent	<u>488,012</u>	<u>700,000</u>	<u>1,188,012</u>
	<u>\$588,089</u>	<u>\$723,645</u>	<u>\$1,311,734</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 - COMMITMENTS AND CONTINGENCIES**

On March 18, 2020 the Organization entered into a lease, with a term of 4 years and 9 months, with Terreno Realty Corporation for the lease of office space at 2800 Merced St., San Leandro, CA. The lease ends on December 31, 2024. There is a lease renewal option for 5 additional years. Base rent is \$9,886.25 per month, with annual increases of 3%. The lease also provides for the Organization to pay a share of the building's operating expenses.

The Organization conducts its operation in San Leandro on premises leased from St. Leander's Catholic Church at \$3,500 per month. Beginning in year 2 of the lease the lease cost will increase 3% each year. The current lease expires on February 28, 2025.

**CORNERSTONE COMMUNITY DEVELOPMENT CORPORATION DBA BUILDING  
FUTURES WITH WOMEN AND CHILDREN, AND SUBSIDIARY**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2022 AND 2021

---

NOTE H - COMMITMENTS AND CONTINGENCIES (Continued)

The Organization entered into a lease on March 23, 2022, with a term of 5 years and 2 months commencing on May 1, 2022, for office space located at Hegenberger Rd. Suite 200, Oakland, CA. The lease ends on June 30, 2027. The space will be used for administration and client support services. Base rent is \$12,565 per month, with annual increases of 3%. The lease also provides for the Organization to pay a share of the building's operating expenses.

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

The Organization leases two copy machines for \$198 per month through May 18, 2026.

The Organization leases one copy machines for \$161 per month through May 8, 2025.

The Organization leases two copy machines for \$772 per month through June 1, 2025.

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. Rent expenses for the years ended June 30, 2022 and 2021 amounted to \$187,795 and \$142,188, respectively.

The following is a schedule, by year, of future minimum rentals under the leases at June 30, 2022:

<u>Year</u>	<u>Amount</u>
2023	\$336,474
2024	346,161
2025	270,715
2026	162,420
2027	169,704

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**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

---

NOTE H - 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 I – NET ASSETS

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

*Cornerstone Community Development Corporation*

There were no net assets with donor restrictions as of June 30, 2022 or 2021

	<u>2022</u>	<u>2021</u>
<i>BCC, Inc.</i>		
Net Property and Equipment	\$2,399,709	\$2,485,441
Total Net Assets with Donor Restrictions	\$2,399,709	\$2,485,441

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

	<u>2022</u>	<u>2021</u>
Satisfaction of purpose restriction:		
<i>Cornerstone Community Development Corporation</i>		
Community Initiatives	\$0	\$58,066
Total net assets released from donor restrictions	\$0	\$58,066

Satisfaction of purpose restriction:

<i>BCC, Inc.</i>		
Net Property and Equipment	\$85,732	\$0
Total net assets released from donor restrictions	\$85,732	\$0

**CORNERSTONE COMMUNITY DEVELOPMENT CORPORATION DBA BUILDING  
FUTURES WITH WOMEN AND CHILDREN, AND SUBSIDIARY**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2022 AND 2021

---

**NOTE J – IN-KIND DONATIONS**

Donated meals, food and other goods and services for the years ended June 30, 2022 and 2021, included in the financial statements were as follows:

	<u>2022</u>	<u>2021</u>
Food	\$141,246	\$103,915
Meal preparation volunteer hours	43,488	40,968
Children’s program & warming shelter volunteer hours	0	379
Development volunteer hours	3,632	0
Donated goods for program and clients	<u>46,801</u>	<u>53,156</u>
	<u>\$235,167</u>	<u>\$198,418</u>

**NOTE K – SUBSEQUENT EVENTS**

These consolidated financial statements were approved by the management of the Organization and available for issuance on February 20, 2023. The Organization has evaluated subsequent events through February 20, 2023.

## **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, 2021

<b>Federal Grantor</b> Pass-through Grantor/State Pass-through Grantor/County Program Title	<b>Federal Assistance Listing Number</b>	<b>Pass-through Grantor's Contract Number</b>	<b>Contract Period</b>	<b>Award Amount</b>	<b>Amount Expended</b>
<b>FEDERAL AWARDS:</b>					
<b>Department of Housing and Urban Development</b>					
Passed through State of California					
Emergency Solutions Grant Program					
ESG State San Leandro	14.231	C-22376	7/1/21-6/30/22	\$191,472	\$191,469
ESG State Midway	14.231	C-22376	7/1/21-6/30/22	163,563	163,563
				<u>355,035</u>	<u>355,033</u>
Passed through City of Oakland					
Transitional housing & support services for North County PATH					
	14.231	88160, 88602	7/1/21-6/30/22	203,100	174,073
Subtotal	14.231			<u>558,135</u>	<u>529,106</u>
Passed through Alameda Point Collaborative Supportive Housing Program Admin					
	14.235	Not Available	7/1/21-6/30/22	85,000	83,752
			7/1/21-6/30/22	28,800	28,800
Subtotal	14.235			<u>113,800</u>	<u>112,552</u>
<b>Bessie Coleman Court, Inc.</b>					
Permanent Supportive Housing Program					
Permanent Supportive Housing Program	14.267	CA1467L9T021904	10/1/20 - 9/30/21	270,586	\$247,876
Permanent Supportive Housing Program	14.267	CA1467L9T022005	10/1/21-9/30/22	277,126	\$202,992
HUD CoC - DV SSO CES	14.267	CA1738D9T021901	1/1/21-12/31/21	160,137	\$81,876
HUD CoC - DV SSO CES	14.267	CA1738D9T022002	1/1/22-12/31/22	160,137	\$62,217
Passed through Satellite Affordable Housing Agency Redwood Hills - CoC					
	14.267	Not Available	7/1/21-6/30/22	61,626	\$51,088
Passed through Alameda County					
Housing and Community Development Program					
Supportive Housing Program - Linkages	14.267	21777	3/1/21-2/28/22	84,680	66,807
Supportive Housing Program - Linkages	14.267	23566	3/1/22-2/28/23	56,808	13,296
Passed through Alameda County					
Tenant-based rental assist & supportive services					
Tenant-based rental assist & supportive services	14.267	C-19981	12/1/20-11/30/21	648,746	285,653
Tenant-based rental assist & supportive services	14.267	C-21811	12/1/21-11/30/22	715,234	386,857
Passed through City of Oakland					
Community Development Block Grant					
Community Development Block Grant	14.267	87631	11/1/20-10/31/21	775,051	370,786
Community Development Block Grant	14.267	88558	11/1/21-10/31/22	840,283	515,773
Subtotal	14.267			<u>4,050,414</u>	<u>2,285,220</u>
Passed through City of San Leandro					
Community Development Block Grant					
	14.218	59126	7/1/21-6/30/22	\$25,000	\$25,000
Passed through City of San Leandro					
Community Development Block Grant					
Capital Improvement Loan	14.218	Not Available	08/1/20-6/30/22	143,725	139,955
Passed through City of Alameda					
Community Development Block Grant					
Emergency Homeless Shelter - Midway	14.218	Not Available	7/1/21-06/30/22	69,987	69,987
Total CDBG Entitlement Grants Cluster	14.218			<u>238,712</u>	<u>234,942</u>

See Notes to 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, 2021

<b>Federal Grantor</b> Pass-through Grantor/State Pass-through Grantor/County Program Title	<b>Federal Assistance Listing Number</b>	<b>Pass-through Grantor's Contract Number</b>	<b>Contract Period</b>	<b>Award Amount</b>	<b>Amount Expended</b>
<b>Bessie Coleman Court, Inc.</b> Passed through County of Alameda Supportive Housing Loan Funds	14.228	Not Available	01/1/00-12/31/59	\$400,000	\$0
<b>Bessie Coleman Court, Inc.</b> Passed through City of Alameda CDBG Loan	14.228	Not Available	02/19/14-01/01/25	120,000	0
<b>Department of Homeland Security</b> Passed through United Way of America Emergency Food and Shelter Program	97.024	ARPA-R	11/1/21-4/30/23	100,000	62,553
<b>Department of Justice</b> Passed Through State of California California Office of Emergency Services Domestic Violence Assistance Program-VOCA	16.575	DV20-20-1770	10/1/20-9/30/22	65,000	40,184
Domestic Violence Assistance Program-VOCA	16.575	DV20-20-1770	10/1/20-9/30/22	578,932	248,769
				<u>643,932</u>	<u>288,953</u>
Total Federal Awards				<u>\$6,224,993</u>	<u>\$3,513,326</u>
<b>STATE AWARDS:</b>					
Passed through Family Violence Law Center Passed through Alameda County Workforce and Resource Development CalWORKS Domestic Violence Services	N/A	22559	7/01/21-6/30/22	\$463,274	161,500
California Office of Emergency Services Domestic Violence Assistance Program-DVPO	N/A	DV20-20-1770	10/1/20-9/30/22	403,961	273,556
Domestic Violence Assistance Program-VCGF	N/A	DV20-20-1770	10/1/20-9/30/22	88,357	23,181
Total State Awards				<u>\$955,592</u>	<u>\$458,237</u>
<b>COUNTY AWARDS:</b>					
Social Services Agency CalWORKS Housing Support Program Rapid Rehousing Program	N/A	22362	07/1/21-06/30/22	\$1,029,493	\$1,011,310
Social Services Agency Shelter Services Emergency Shelters Programs	N/A	21968	07/1/21-06/30/22	890,651	890,651
Social Services Agency Emergency Warming Shelter	N/A	22905	11/1/21-5/31/22	100,000	100,000
Passed through Alameda County Special Welfare Programs Domestic Violence Center Act, Shelter Services	N/A	20917	1/1/21-6/20/23	65,088	26,035
Health Care Services Agency Health Housing and Integrated Services Cal-AIM	N/A	19755	4/1/20-12/31/21	1,306,500	426,540
	N/A	23085	1/1/22-12/31/22	1,886,250	469,694
Housing and Community Development HEAP	N/A	19097	11/1/19-6/30/22	487,862	71,090
Health Care Services Agency DV EHV Coordination	N/A	22376	10/1/21-12/31/22	200,000	106,297
Health Care Services Agency Access Point	N/A	22376	1/1/21-12/31/22	1,397,220	639,353

See Notes to 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, 2021

<b>Federal Grantor</b> Pass-through Grantor/State Pass-through Grantor/County Program Title	<b>Federal Assistance Listing Number</b>	<b>Pass-through Grantor's Contract Number</b>	<b>Contract Period</b>	<b>Award Amount</b>	<b>Amount Expended</b>
<b>Bessie Coleman Court, Inc.</b> Urban County HOME Loan Funds	N/A	Not Available	01/1/00-12/31/2059	144,000	0
<b>Bessie Coleman Court, Inc.</b> Alameda County Housing Trust Loan Fund	N/A	Not Available	01/1/00-12/31/2059	156,000	0
Total County Awards				<u>\$7,663,064</u>	<u>\$3,740,970</u>
<b>CITY AWARDS:</b>					
City of San Leandro Parks and Recreation	N/A	59096	7/1/21-6/30/22	\$25,000	\$25,000
City of Alameda Case Management	N/A	788170355	7/1/21-6/30/22	25,000	25,000
City of Alameda Warming Shelter	N/A	Not Available	11/15/21-9/30/22	113,000	108,921
City of Alameda Midway Shelter Public Improvement	N/A	2200890	7/1/21-6/30/22	286,200	46,532
City of Oakland OPRI	N/A	88621, 88602	7/1/21-6/30/22	1,380,735	959,140
Total City Awards				<u>\$1,829,935</u>	<u>\$1,164,593</u>

**CORNERSTONE COMMUNITY DEVELOPMENT CORPORATION DBA BUILDING FUTURES WITH  
WOMEN AND CHILDREN, AND SUBSIDIARY**  
COMBINING STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Bessie Coleman Court, Inc.		Consolidated Eliminating Entries	Total 2022
			Without Donor Restrictions	With Donor Restrictions		
<b>ASSETS</b>						
<b>CURRENT ASSETS:</b>						
Cash and cash equivalents	\$936,575	\$160,795	\$200,932	\$28,506	\$	\$1,326,808
Grants receivable (Note D)	1,879,356					1,879,356
Accounts receivable (Note D)			153,672			153,672
Prepaid expenses	16,455					16,455
<b>TOTAL CURRENT ASSETS</b>	<b>2,832,386</b>	<b>160,795</b>	<b>354,604</b>	<b>28,506</b>	<b>0</b>	<b>3,376,291</b>
PROPERTY AND EQUIPMENT, net of accumulated depreciation and amortization at June 30, 2022 of \$2,730,573. (Note E)	1,134,545		65677	3,123,354		4,323,576
DEPOSITS	47,384					47,384
<b>TOTAL ASSETS</b>	<b>\$4,014,315</b>	<b>\$160,795</b>	<b>\$420,281</b>	<b>\$3,151,860</b>	<b>\$0</b>	<b>\$7,747,251</b>
<b>LIABILITIES AND NET ASSETS</b>						
<b>CURRENT LIABILITIES:</b>						
Accounts payable and accrued expenses	\$132,522	\$	\$44,695	\$		\$177,217
Accrued payroll expenses	163,725					163,725
Accrued vacations	171,393					171,393
Rental security deposits				28,506		28,506
Contract Advances		160,795				160,795
Current portion of long term debt (Note G)	24,939			12,355		37,294
<b>TOTAL CURRENT LIABILITIES</b>	<b>492,579</b>	<b>160,795</b>	<b>44,695</b>	<b>40,861</b>	<b>0</b>	<b>738,930</b>
LONG TERM DEBT (Note G)	563,150			711,290		1,274,440
COMMITMENTS AND CONTINGENCIES (Note H)						
NET ASSETS (DEFICIT) (Note I)	2,958,586	0	375,586	2,399,709		5,733,881
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$4,014,315</b>	<b>\$160,795</b>	<b>\$420,281</b>	<b>\$3,151,860</b>	<b>\$0</b>	<b>\$7,747,251</b>

**CORNERSTONE COMMUNITY DEVELOPMENT CORPORATION DBA BUILDING FUTURES WITH  
WOMEN AND CHILDREN, AND SUBSIDIARY**  
COMBINING STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2021

			Bessie Coleman Court, Inc.		Consolidated Eliminating Entries	Total 2021
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions		
<b>ASSETS</b>						
<b>CURRENT ASSETS:</b>						
Cash and cash equivalents	\$688,111	\$120,797	\$123,426	\$27,074	\$	\$959,408
Grants receivable (Note D)	1,508,979					1,508,979
Accounts receivable (Note D)	3,770		130,479			134,249
Due to/from other funds			0			
Prepaid expenses	29,990					29,990
<b>TOTAL CURRENT ASSETS</b>	<b>2,230,850</b>	<b>120,797</b>	<b>253,905</b>	<b>27,074</b>	<b>0</b>	<b>2,632,626</b>
PROPERTY AND EQUIPMENT, net of accumulated depreciation and amortization at June 30, 2021 of \$2,568,525 (Note E)	1,105,301		65,677	3,221,441		4,392,419
DEPOSITS	22,254					22,254
<b>TOTAL ASSETS</b>	<b>\$3,358,405</b>	<b>\$120,797</b>	<b>\$319,582</b>	<b>\$3,248,515</b>	<b>\$0</b>	<b>\$7,047,299</b>
<b>LIABILITIES AND NET ASSETS</b>						
<b>CURRENT LIABILITIES:</b>						
Accounts payable and accrued expenses	\$144,606	\$	\$39,800	\$	\$	\$184,406
Accrued payroll expenses	133,840					133,840
Accrued vacation	153,320					153,320
Client rental account						0
Rental security deposits				27,074		27,074
Contract Advances		120,797				120,797
Current portion of long term debt (Note G)	18,162			12,000		30,162
<b>TOTAL CURRENT LIABILITIES</b>	<b>449,928</b>	<b>120,797</b>	<b>39,800</b>	<b>39,074</b>	<b>0</b>	<b>649,599</b>
LONG TERM DEBT (Note G)	428,620			724,000		1,152,620
COMMITMENTS AND CONTINGENCIES (Note H)						
NET ASSETS (DEFICIT) (Note I)	2,479,857	0	279,782	2,485,441		5,245,080
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$3,358,405</b>	<b>\$120,797</b>	<b>\$319,582</b>	<b>\$3,248,515</b>	<b>\$0</b>	<b>\$7,047,299</b>

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, 2022

	Without Donor Restrictions	With Donor Restrictions	Bessie Coleman Court, Inc.		Consolidated Eliminating Entries	Total 2022
			Without Donor Restrictions	With Donor Restrictions		
<b>SUPPORT AND REVENUE</b>						
Support:						
Foundations and community organizations	\$762,372	\$	\$	\$	\$	\$762,372
Donations	340,464					340,464
In-kind donations (Note B and Note J)	235,167					235,167
<b>Total Support</b>	<b>1,338,003</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,338,003</b>
Revenue:						
Government	8,263,766		607,862			8,871,628
Rental income			416,373			416,373
Other revenue	61,382	21,991	29,577		(56,160)	56,790
Fundraising	60,455					60,455
Forgiveness of debt	24,873		12,355			37,228
<b>Total Revenue</b>	<b>8,410,476</b>	<b>21,991</b>	<b>1,066,167</b>	<b>0</b>	<b>(56,160)</b>	<b>9,442,474</b>
Net Assets Released From Restrictions	21,991	(21,991)	85,732	(85,732)		0
<b>TOTAL SUPPORT AND REVENUE</b>	<b>9,770,470</b>	<b>0</b>	<b>1,151,899</b>	<b>(85,732)</b>	<b>(56,160)</b>	<b>10,780,477</b>
<b>EXPENSES</b>						
Program						
San Leandro Shelter	930,534					930,534
Sister Me Home Safe house	732,468					732,468
Midway Shelter	795,773					795,773
Domestic Violence Outreach	424,639					424,639
Bessie Coleman Court Program	366,360					366,360
Housing Services	4,254,493					4,254,493
Other Program Services	876,029					876,029
Bessie Coleman Court, Inc.			1,056,095		(56,160)	999,935
<b>Total program expenses</b>	<b>8,380,296</b>		<b>1,056,095</b>		<b>(56,160)</b>	<b>9,380,231</b>
Support						
Administration	326,860		0			326,860
Fundraising	584,585					584,585
<b>Total support expenses</b>	<b>911,445</b>		<b>0</b>		<b>0</b>	<b>911,445</b>
<b>TOTAL EXPENSES</b>	<b>9,291,741</b>	<b>0</b>	<b>1,056,095</b>	<b>0</b>	<b>(56,160)</b>	<b>10,291,676</b>
CHANGE IN NET ASSETS	478,729	0	95,804	(85,732)	0	488,801
NET ASSETS, beginning of year	2,479,857	0	279,782	2,485,441	0	5,245,080
NET ASSETS, end of year	<u>\$2,958,586</u>	<u>\$0</u>	<u>\$375,586</u>	<u>\$2,399,709</u>	<u>\$0</u>	<u>\$5,733,881</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, 2021**

			Bessie Coleman Court, Inc.		Consolidated Eliminating Entries	Total 2021
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions		
<b>SUPPORT AND REVENUE</b>						
Support:						
Foundations and community organizations	\$739,369		\$	\$	\$	\$739,369
Donations	287,383					287,383
In-kind donations (Note B and Note J)	198,418					198,418
Total Support	1,225,170	0	0	0	0	1,225,170
Revenue:						
Government	6,995,194		458,826			7,454,020
Rental income			541,002			541,002
Other revenue	55,498		4,589		(56,160)	3,927
Fundraising	37,735					37,735
Forgiveness of debt	1,194,708		349,382			1,544,090
Total Revenue	8,283,135	0	1,353,799	0	(56,160)	9,580,774
Net Assets Released From Restrictions	58,066	(58,066)	0	0		0
<b>TOTAL SUPPORT AND REVENUE</b>	<b>9,566,371</b>	<b>(58,066)</b>	<b>1,353,799</b>	<b>0</b>	<b>(56,160)</b>	<b>10,805,944</b>
<b>EXPENSES</b>						
Program						
San Leandro Shelter	947,383					947,383
Sister Me Home Safe house	601,665					601,665
Midway Shelter	567,646					567,646
Domestic Violence Outreach	301,834					301,834
Bessie Coleman Court Program	248,647					248,647
Housing Services	3,548,478					3,548,478
Other Program Services	1,037,361					1,037,361
Bessie Coleman Court, Inc.			1,007,923		(56,160)	951,763
Total program expenses	7,253,014		1,007,923		(56,160)	8,204,777
Support						
Administration	480,504					480,504
Fundraising	437,117					437,117
Total support expenses	917,621		0		0	917,621
<b>TOTAL EXPENSES</b>	<b>8,170,635</b>	<b>0</b>	<b>1,007,923</b>	<b>0</b>	<b>(56,160)</b>	<b>9,122,398</b>
CHANGE IN NET ASSETS	1,395,736	(58,066)	345,876	0	0	1,683,546
NET ASSETS, beginning of year	1,084,121	58,066	(66,094)	2,485,441	0	3,561,534
NET ASSETS, end of year	\$2,479,857	\$0	\$279,782	\$2,485,441	\$0	\$5,245,080

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, 2022**

---

**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, 2022. 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, 2022 consists of:

<u>Assistance Listing Number</u>	<u>Program Name</u>	<u>Original Loan Balance</u>	<u>Outstanding Balance 6/30/22</u>
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 consolidated 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, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued my report thereon dated January 25, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing my audit of the consolidated 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 consolidated 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 consolidated 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 consolidated 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

February 20, 2023



*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, 2022. 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, 2022.

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 I 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  
February 20, 2023

**CORNERSTONE COMMUNITY DEVELOPMENT CORPORATION DBA BUILDING FUTURES WITH WOMEN AND CHILDREN, AND SUBSIDIARY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2021**

---

**SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified 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 did not qualify 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, 2022**

---

There were no prior year audit findings.