

CORA
(Community Overcoming Relationship Abuse)

**FINANCIAL STATEMENTS,
SUPPLEMENTAL SCHEDULES,
and
ADDITIONAL INFORMATION**

JUNE 30, 2015

CONTENTS

Independent Auditors' Report	1-2
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7-15
Supplemental Schedules:	
Schedule of Expenditures of Federal Awards	16
Schedule of Functional Expenses by Program	17
Additional Information:	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	18
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133	19-20
Schedule of Findings and Questioned Costs	21

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
CORA (Community Overcoming Relationship Abuse)

Report on the Financial Statements

We have audited the accompanying financial statements of CORA (Community Overcoming Relationship Abuse) (a nonprofit organization), which comprise the Statement of Financial Position as of June 30, 2015, and the related Statements of Activities, Functional Expenses, and Cash Flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CORA (Community Overcoming Relationship Abuse) as of June 30, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITORS' REPORT

continued

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Expenditures of Federal Awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying Schedule of Functional Expenses by Program is also presented for additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Summarized Comparative Information

We have previously audited CORA's (Community Overcoming Relationship Abuse) June 30, 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statement in our report dated December 12, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, is consistent, in all material respect, with the audited financial statement from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2015, on our consideration of CORA's (Community Overcoming Relationship Abuse) internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 CORA's (Community Overcoming Relationship Abuse) internal control over financial reporting and compliance.

Harrington Group

San Francisco, California
December 10, 2015

CORA
(Community Overcoming Relationship Abuse)

STATEMENT OF FINANCIAL POSITION

June 30, 2015

With comparative totals at June 30, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2015</u>	<u>2014</u>
Assets				
Current assets				
Cash and cash equivalents (Note 2)	\$ 5,752	\$ 317,895	\$ 323,647	\$ 149,444
Grants receivable	182,775		182,775	252,421
Accounts receivable	18,815		18,815	105,049
Pledges receivable (Note 3)	4,557	75,000	79,557	59,557
Prepaid expenses	48,566		48,566	61,817
Deposits	10,200		10,200	9,700
Investments (Note 4)	2,121,228		2,121,228	2,224,117
Property and equipment (Note 6)	4,365,026		4,365,026	4,380,749
Total assets	<u>\$ 6,756,919</u>	<u>\$ 392,895</u>	<u>\$ 7,149,814</u>	<u>\$ 7,242,854</u>
Liabilities and net assets				
Liabilities				
Accounts payable and accrued expenses	\$ 47,982	\$ -	\$ 47,982	\$ 49,858
Accrued wages	83,492		83,492	76,587
Accrued vacation	86,106		86,106	82,388
Client savings account	37,769		37,769	19,058
Line of credit (Note 7)	266,200		266,200	440,700
Notes payable (Note 8)	2,895,573	(71,188)	2,824,385	3,000,872
Total liabilities	<u>3,417,122</u>	<u>(71,188)</u>	<u>3,345,934</u>	<u>3,669,463</u>
Net assets				
Unrestricted	3,339,797		3,339,797	3,381,519
Temporarily restricted (Note 11)		464,083	464,083	191,872
Total net assets	<u>3,339,797</u>	<u>464,083</u>	<u>3,803,880</u>	<u>3,573,391</u>
Total liabilities and net assets	<u>\$ 6,756,919</u>	<u>\$ 392,895</u>	<u>\$ 7,149,814</u>	<u>\$ 7,242,854</u>

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

CORA
(Community Overcoming Relationship Abuse)

STATEMENT OF ACTIVITIES
For the year ended June 30, 2015
With comparative totals for the year ended June 30, 2014

	Unrestricted	Temporarily Restricted	2015	2014
Revenue and support				
Fees from government agencies	\$ 1,759,347	\$ -	\$ 1,759,347	\$ 1,971,499
Contributions	646,809	532,500	1,179,309	1,087,619
In-kind donations (Note 5)	275,560		275,560	219,063
Special event income, net of expenses of \$81,775	185,555		185,555	39,104
Other income	90,869		90,869	120,475
Interest and dividends	53,567		53,567	32,286
Net assets released from restrictions (Note 11)	260,289	(260,289)	-	-
Total revenue and support	<u>3,271,996</u>	<u>272,211</u>	<u>3,544,207</u>	<u>3,470,046</u>
Expenses				
Program services	2,504,944		2,504,944	2,602,704
Management and general	591,344		591,344	415,387
Fund development	457,678		457,678	513,105
Total expenses	<u>3,553,966</u>	<u>-</u>	<u>3,553,966</u>	<u>3,531,196</u>
Change in net assets from operations	<u>(281,970)</u>	<u>272,211</u>	<u>(9,759)</u>	<u>(61,150)</u>
Non-operating gains/(losses)				
Forgiveness of debt (Note 8)	275,000		275,000	81,118
Realized gain on investments	154,295		154,295	31,240
Unrealized (loss) gain on investments	(189,047)		(189,047)	241,926
Total non-operating gains	<u>240,248</u>	<u>-</u>	<u>240,248</u>	<u>354,284</u>
Change in net assets	<u>(41,722)</u>	<u>272,211</u>	<u>230,489</u>	<u>293,134</u>
Net assets, beginning of year	<u>3,381,519</u>	<u>191,872</u>	<u>3,573,391</u>	<u>3,280,257</u>
Net assets, end of year	<u>\$ 3,339,797</u>	<u>\$ 464,083</u>	<u>\$ 3,803,880</u>	<u>\$ 3,573,391</u>

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

CORA
(Community Overcoming Relationship Abuse)

STATEMENT OF FUNCTIONAL EXPENSES
For the year ended June 30, 2015
With comparative totals for the year ended June 30, 2014

	Program Services	Management and General	Fund Development	Total Expenses	
				2015	2014
Salaries	\$ 1,182,274	\$ 294,225	\$ 276,907	\$ 1,753,406	\$ 1,742,511
Employee benefits	165,125	53,891	41,193	260,209	273,557
Payroll taxes	97,487	30,277	22,822	150,586	149,701
Total personnel costs	<u>1,444,886</u>	<u>378,393</u>	<u>340,922</u>	<u>2,164,201</u>	<u>2,165,769</u>
Rental assistance	345,047			345,047	338,558
Professional fees	148,933	53,051	33,688	235,672	207,331
In-kind expenses	169,838	30,443	9,613	209,894	214,050
Depreciation	128,502	6,813	1,767	137,082	136,486
Interest expense	56,089	26,125	9,633	91,847	92,443
Office expense	38,157	9,112	13,230	60,499	90,187
Training and education	15,945	24,193	4,866	45,004	43,616
Telephone	37,023	2,063	1,490	40,576	34,729
Utilities	30,704	4,928	4,238	39,870	40,710
Bank charges	15	23,648	7,010	30,673	7,028
Repairs and maintenance	22,014	41		22,055	25,146
Insurance	15,765	3,204	1,778	20,747	20,323
Program supplies	15,813	994	2,305	19,112	31,420
Printing	768	1,151	15,414	17,333	19,467
Travel	11,141	2,729	797	14,667	13,794
Dues and subscriptions	2,951	8,641	2,500	14,092	8,574
Miscellaneous expenses	5,663	6,723		12,386	879
Meals and entertainment	1,411	5,297	1,509	8,217	14,747
Postage	1,471	361	5,517	7,349	6,359
Emergency safe house	6,990			6,990	3,562
Advertising and promotion	1,840	2,271	1,330	5,441	9,062
Taxes	3,363	982		4,345	3,684
Program activities	554			554	2,824
Other fees	61	181	71	313	448
Total 2015 functional expenses	<u>\$ 2,504,944</u>	<u>\$ 591,344</u>	<u>\$ 457,678</u>	<u>\$ 3,553,966</u>	
Total 2014 functional expenses	<u>\$ 2,602,704</u>	<u>\$ 415,387</u>	<u>\$ 513,105</u>		<u>\$ 3,531,196</u>

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

CORA
(Community Overcoming Relationship Abuse)

STATEMENT OF CASH FLOWS
For the year ended June 30, 2015
With comparative totals for the year ended June 30, 2014

	2015	2014
Cash flows from operating activities:		
Change in net assets	\$ 230,489	\$ 293,134
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	137,082	136,486
Reinvested interest and dividends	(53,567)	(32,286)
Loss (gain) on investments	34,752	(273,166)
Forgiveness of debt	(275,000)	(81,118)
In-kind donation capitalized	(65,666)	(5,013)
Changes in operating assets and liabilities:		
Decrease in grants receivable	69,646	229,893
Decrease in accounts receivable	86,234	73,472
(Increase) decrease in pledges receivable	(20,000)	28,007
Decrease in prepaid expenses	13,251	4,122
(Increase) in deposits	(500)	(2,800)
(Decrease) in accounts payable and accrued expenses	(1,876)	(1,050)
Increase in accounts accrued wages	6,905	17,345
Increase in accounts accrued vacation	3,718	17,951
Increase in accounts client savings account	18,711	5,558
Net cash provided by operating activities	184,179	410,535
Cash flows from investing activities:		
Proceeds from sale of securities	121,704	59,766
Purchase of property and equipment	(55,693)	(310,097)
Net cash provided (used) by investing activities	66,011	(250,331)
Cash flows from financing activities:		
New borrowings on notes payable	132,032	100,000
Payments on notes payable/line of credit	(208,019)	(188,729)
Net cash (used) provided by financing activities	(75,987)	(88,729)
Net increase in cash and cash equivalents	174,203	71,475
Cash and cash equivalents, beginning of year	149,444	77,969
Cash and cash equivalents, end of year	\$ 323,647	\$ 149,444
Supplemental disclosure:		
Operating activities reflects interest paid of:	\$ 91,847	\$ 92,443

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

CORA (Community Overcoming Relationship Abuse)

NOTES TO FINANCIAL STATEMENTS

1. **Organization**

CORA (Community Overcoming Relationship Abuse) is a California nonprofit public benefit corporation incorporated on November 22, 1977. The current agency name was adopted following a merger, completed in 2004, of the Center for Domestic Violence Prevention (“CDVP”) and Sor Juana Ines for Abused Women (“SJI”). The current name reflects a central tenet of CORA’s work, that it takes a community, working together, to end domestic violence.

CORA’s mission is to provide safety, support, and healing to individuals who experience abuse in an intimate relationship and to educate the community to interrupt the intergenerational cycle of domestic violence. CORA’s Board of Directors is comprised of thirteen individuals who govern the agency.

CORA provides the following services for victims of domestic violence and their children:

- Emergency safe house, including temporary hoteling, on a twenty-four hours a day, seven days a week, 365 days a year;
- A 24-hour support line and emergency response to referrals from all of San Mateo County law enforcement’s 911 domestic violence related calls;
- Transitional housing and support services;
- Individual mental health counseling and support groups;
- Legal assistance obtaining restraining orders and court representation for victims of domestic violence, as well as a legal information line;
- Referral systems to ensure provision of medical care, legal assistance, counseling, and information regarding education, job counseling and training programs, housing referrals and other available social services.

Prevention services include community education about domestic violence for teens and adults, including underserved communities (e.g. Latino, Filipino, etc.). CORA also provides in-depth training for volunteers several times a year and operates a child watch program so that clients may attend appointments with agency clinicians, case managers, and attorneys.

2. **Summary of Significant Accounting Policies**

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements is as follows:

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting.

CORA (Community Overcoming Relationship Abuse)

NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies, continued

Accounting

To ensure observance of certain constraints and restrictions placed on the use of resources, the accounts of CORA are maintained in accordance with the principles of net asset accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into net asset classes that are in accordance with specified activities or objectives. Accordingly, all financial transactions have been recorded and reported by net asset class as follows:

Unrestricted. These generally result from revenues generated by receiving unrestricted contributions, providing services, and receiving interest from investments less expenses incurred in providing program-related services, raising contributions, and performing administrative functions.

Temporarily Restricted. CORA reports gifts of cash and other assets as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from program or capital restrictions.

Permanently Restricted. These net assets are restricted by donors who stipulate that resources are to be maintained permanently, but permit CORA to expend all of the income (or other economic benefits) derived from the donated assets. CORA had no permanently restricted net assets at June 30, 2015.

Cash and Cash Equivalents

CORA has defined cash and cash equivalents as cash in banks and money market funds in a securities institution.

Grants Receivable

Grants receivable are primarily receivables from government entities and other established organizations. These amounts are deemed fully collectible as they are primarily related to contracted services. Therefore, no allowance for doubtful accounts has been provided. Unconditional promises to give that are expected to be collected within one year are recorded as net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value, which is measured as the present value of their future cash flows. At June 30, 2015, CORA had no promises to give expected beyond one year. Conditional promises to give are not included as support until the conditions are substantially met.

CORA (Community Overcoming Relationship Abuse)

NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies, continued

Investments

CORA values its investments at fair value. Unrealized gains or losses (including investments bought, sold, and held during the year) are reflected in the Statement of Activities as gain on investments. Short-term highly liquid money market deposits that are not used for operations are treated as investments.

Fair Value Measurements

Generally accepted accounting principles provide guidance on how fair value should be determined when financial statement elements are required to be measured at fair value. Valuation techniques are ranked in three levels depending on the degree of objectivity of the inputs used with each level:

Level 1 inputs – quoted prices in active markets for identical assets

Level 2 inputs – quoted prices in active or inactive markets for the same or similar assets

Level 3 inputs – estimates using the best information available when there is little or no market

CORA is required to measure its investments, pledges contributions and in-kind contributions at fair value. The specific techniques used to measure the fair value for the financial statement element is described in the notes below.

Concentration of Credit Risks

CORA places its temporary cash investments with high-credit, quality financial institutions. At times, such investments may be in excess of the Federal Deposit Insurance Corporation insurance limit. CORA has not incurred losses related to these investments.

The primary receivable balance outstanding at June 30, 2015, consists of government contract receivables due from county, state, and federal granting agencies. Concentration of credit risks with respect to trade receivables are limited, as the majority of CORA's receivables consist of earned fees from contract programs granted by governmental agencies.

Property and Equipment

Property and equipment are recorded at cost if purchased or at fair value at the date of donation if donated. Depreciation is computed on the straight-line basis over the estimated useful lives of the related assets. Maintenance and repair costs are charged to expense as incurred. Property and equipment are capitalized if the cost of an asset is greater than or equal to one thousand dollars and the useful life is greater than one year.

CORA (Community Overcoming Relationship Abuse)

NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies, continued

Donated Materials and Services

Contributions of donated non-cash assets are measured on a non-recurring basis and recorded at fair value in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at fair value in the period received.

Income Taxes

CORA is exempt from taxation under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d.

Generally accepted accounting principles provide accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken by CORA in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination. CORA's returns are subject to examination by federal and state taxing authorities, generally for three and four years, respectively, after they are filed.

Functional Allocation of Expenses

Costs of providing CORA's programs and other activities have been presented in the Statement of Functional Expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit. CORA uses full-time equivalents to allocate indirect costs.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues, and expenses as of the date and for the period presented. Actual results could differ from those estimates.

Comparative Totals

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with CORA's financial statements for the year ended June 30, 2014, from which the summarized information was derived.

continued

CORA (Community Overcoming Relationship Abuse)

NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies, continued

Subsequent Events

Management has evaluated subsequent events through December 10, 2015, the date which the financial statements were available.

3. Pledges Receivable

Pledges receivable are recorded as support when pledges unless designated otherwise. All pledges are valued at the estimated fair present value at June 30, 2015 and are deemed fully collectible. Accordingly, no allowance for uncollectible pledges has been recorded as of June 30, 2015. Total amount of pledges receivable in the amount of \$79,557 at June 30, 2015, is expected to be collected within the year.

4. Investments

Investments at June 30, 2015 consist of the following:

Equities	\$1,280,519
Fixed income	746,350
Real assets	94,359
	<u>\$2,121,228</u>

5. Fair Value Measurements

The table below presents the balances of assets measured at fair value at June 30, 2015 on a recurring basis:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Fixed Income				
Government obligations	\$ 466,934	\$ -	\$ -	\$ 466,934
Corporate obligations	279,416			279,416
Equities				
Domestic mutual funds	269,811			269,811
Information Technology	156,134			156,134
Consumer discretionary	154,618			154,618
Financials	142,450			142,450
International equities	111,494			111,494
International mutual funds	105,198			105,198
Health care	100,532			100,532
Consumer staples	86,614			86,614

continued

CORA (Community Overcoming Relationship Abuse)

NOTES TO FINANCIAL STATEMENTS

5. Fair Value Measurements, continued

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Individual	71,996			71,996
Energy	49,219			49,219
Telecom Services	16,314			16,314
Materials	16,139			16,139
Real Assets				
Real assets funds	<u>94,359</u>	<u> </u>	<u> </u>	<u>94,359</u>
Total investments	<u>\$2,121,228</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$2,121,228</u>

The fair value of investments has been measured on a recurring basis using quoted prices for identical assets in active market (Level 1 inputs).

The table below presents transactions measured at fair value on a non-recurring basis during the year ended June 30, 2015:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Pledged contributions - new	\$ -	\$ -	\$ 79,557	\$ 79,557
Donated materials and services			209,894	209,894
Donated property and equipment	<u> </u>	<u> </u>	<u>65,666</u>	<u>65,666</u>
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$355,117</u>	<u>\$355,117</u>

The fair value of pledged contributions new, donated materials and services, and donated property and equipment are measured on a non-recurring basis based on the value provided by the donor at the date of pledge (Level 3 inputs).

6. Property and Equipment

Property and equipment at June 30, 2015 consist of the following:

Building	\$ 3,457,040
Land	1,526,640
Furniture and equipment	438,207
Vehicles	29,400
Leasehold improvements	<u>11,779</u>
	5,463,066
Less: accumulated depreciation	<u>(1,098,040)</u>
	<u>\$ 4,365,026</u>

Depreciation expense for the year ended June 30, 2015 was \$137,082.

continued

CORA (Community Overcoming Relationship Abuse)

NOTES TO FINANCIAL STATEMENTS

7. Line of Credit

CORA has a line of credit with a financial institution, in the amount of \$700,000, due March 10, 2016, bearing interest at a rate of 3.25%. The outstanding balance at June 30, 2015 was \$266,200.

8. Notes Payable

Notes payable at June 30, 2015 consist of the following:

Note payable to a financial institution, secured by real property, monthly payments of \$7,769 including interest at 3.5%, balloon payment in the amount of \$1,120,959 due June 2025. \$1,541,535

Note payable to California Department of Housing and Community Development, secured by real property. Payments on the note are deferred for 10 years bearing interest at 3% simple interest, due April 2022. The loan will be forgiven upon completion of the original loan term as long as the property has been used as an emergency safe house during the entire loan term. The accrued interest through June 30, 2015 is \$42,191. This interest has not been recorded on CORA's books. 937,527

Note payable to the City of San Mateo, secured by real property. Payments on the note are deferred for 20 years bearing interest at 3% simple interest, due July 2026. The accrued interest through June 30, 2015 is \$34,795. This interest has not been recorded on CORA's books. 153,000

Note payable to the County of San Mateo, secured by real property. Payments on the note are deferred for 30 years bearing interest at 3% simple interest, due July 2043. The accrued interest through June 30, 2015 is \$3,930. This interest has not been recorded on CORA's books. 131,000

Note payable to the City of San Mateo, secured by real property, with monthly payments of \$250, including interest at 5%, due September 2014. 32,511

continued

CORA (Community Overcoming Relationship Abuse)

NOTES TO FINANCIAL STATEMENTS

8. Notes Payable, continued

Interest-free note payable (Note 9) to the County of San Mateo, secured by real property, with no monthly payments (deferred), due October 2043.	<u>28,812</u>
	<u>\$2,824,385</u>

Principal payments on the note payable are as follows:

<u>Year ended June 30,</u>	
2016	\$ 39,886
2017	44,256
2018	45,724
2019	47,243
2020	48,817
Thereafter	<u>2,669,647</u>
Face amount of note payments	2,895,573
Less: Unamortized discount	<u>(71,188)</u>
Present value of note payments	<u>\$2,824,385</u>

Forgivable Loan

A loan from the City of San Mateo, in the amount of \$25,000, was received December 1980, and is secured by a deed of trust on land and a building. This loan was used for safe house renovations and is due when the property is sold or transferred. The note does not bear interest. CORA has no intention of selling or transferring the property and, therefore, the liability has not been recorded.

CORA deems the default of any of the above notes due to unallowed operational cost remote since the use of the Transitional House and Safe House properties facilitates the mission of CORA.

In June 2015, the County of San Mateo Department of Housing (“DOH”) forgave their loans of \$75,000 and \$200,000, respectively, by converting the outstanding loans into grants. The related forgiveness of debt is included in the accompanying statement of activities as non-operating gain. Prior thereto, the funds received from DOH were used to rehabilitate CORA’s domestic violence safe house. There are no restrictions recorded on the property by the County.

9. Non-Interest Bearing Note

CORA has a non-interest bearing note payable to the County of San Mateo. To reflect the time value of money, the liability recorded in the financial statements reflects future payments discounted at an imputed interest rate of 4.4%, which was the prevailing rate for similar transactions at the October 2013 inception of the note. The note is payable in a single payment of \$100,000 in October 2043.

continued

CORA (Community Overcoming Relationship Abuse)

NOTES TO FINANCIAL STATEMENTS

10. Commitments and Contingencies

Contracts

CORA's grants and contracts are subject to inspection and audit by the appropriate governmental funding agency. The purpose is to determine whether program funds were used in accordance with their respective guidelines and regulations. The potential exists for disallowance of previously-funded program costs. The ultimate liability, if any, which may result from these governmental audits cannot be reasonably estimated.

11. Temporarily Restricted Net Assets

Temporarily restricted net assets at June 30, 2015 consist of the following:

Denise Sobel	\$166,836
Restricted non cash contribution (from interest-free loan)	71,188
The Grove Foundation	60,000
Sequoia Healthcare District	42,500
Sandhill Foundation	40,000
Blue Shield	38,559
Bella Vista Foundation	32,500
Palo Alto	10,000
Blue Shield of CA	<u>2,500</u>
	<u>\$464,083</u>

For the year ended June 30, 2015, net assets released from restrictions were \$260,289, which consist of \$259,051 released from purpose restrictions and \$1,238 from time restrictions.

12. Employee Benefit Plan

CORA has a 403(b) Retirement Savings Plan available to substantially all employees who have completed twenty or more hours of service. Employees may contribute any whole percentage of annual compensation provided that it does not exceed maximum amounts as permitted by law. For the year ended June 30, 2015, CORA's matching contributions of up to 3% of an employee's annual earnings were \$39,476.

SUPPLEMENTAL SCHEDULES

CORA
(Community Overcoming Relationship Abuse)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2015

Program Name	Contract Number	Federal CFDA No.	Contract Term	Award Amount	Program Expenditure
Federal Award					
U.S. Department of Housing and Urban Development ("HUD"):					
Supportive Housing Program (a)	CA0255B9T120802	14.235	12/1/13 - 11/30/14	\$ 229,668	\$ 81,899
Supportive Housing Program (a)	CA0255B9T121004	14.235	12/1/14 - 11/30/15	229,668	123,400
Pass-through, City of Redwood City					
Community Development Block Grant	N/A	14.228	7/1/14 - 6/30/15	15,000	15,000
Passed through City of South San Francisco					
Community Development Block Grant	N/A	14.228	7/1/14-6/30/15	9,250	9,250
Pass- through, County of San Mateo					
Emergency Shelter for Domestic Violence Survivors	N/A	14.231	7/1/14 - 6/30/15	27,025	27,025
Housing Authority of the County of San Mateo	N/A	14.871	11/15/11 - 11/14/14	979,334	65,218
Housing Authority of the County of San Mateo	N/A	14.871	11/15/14-11/14/18	1,020,970	129,013
Loan made in prior years for which continuing compliance is required					
County of San Mateo Department of Housing					
Palm Avenue Roof Replacement Project	7900-14-D0008	14.218	10/18/13 - 10/18/43	100,000	100,000
Loan made in prior years for which continuing compliance is required					
County of San Mateo Department of Housing					
Safe House	072300	14.218	3/18/13 - 3/18/43	131,000	131,000
Total HUD				2,741,915	681,805
U.S. Department of Health and Human Services ("HHS"):					
Pass-through, State of California					
California Emergency Management Agency					
Domestic Violence Assistance Program - FVPS	DV13031415	93.671	7/1/14 - 6/30/15	8,077	8,077
Domestic Violence Assistance Program - FVPS	DV13241415	93.671	7/1/14 - 6/30/15	184,800	184,800
Domestic Violence Assistance Program - VOCA	DV13241415	16.575	7/1/14 - 6/30/15	32,043	32,043
Domestic Violence Assistance Program - VOCA	DV13241415	16.575	7/1/14 - 6/30/15	8,910	8,910
Total HHS				233,830	233,830
U.S. Department of Homeland Security ("DHS"):					
Pass-through, County of San Mateo					
Emergency Food and Shelter Program	N/A	97.024	5/11/14 - 6/30/15	12,000	12,000
Total DHS				12,000	12,000
U.S. Department of Justice ("DOJ"):					
Community Defined Solutions to Violence Against Women (Subawardee)					
Office of Justice Violence Against Women	2013-WH-AX-0051	16.590	10/1/12 - 9/30/14	675,000	33,641
		16.736	10/1/13 - 9/30/16	300,000	90,618
Total DOJ				975,000	124,259
Total Federal Awards				\$ 3,962,745	\$ 1,051,894

(a) Audited as a major program

Summary of Significant Accounting Policies:

- 1) Basis of Accounting - The Schedule of Expenditures of Federal Awards has been reported on the accrual basis of accounting.
- 2) CORA is exempt from income taxation under Internal Revenue Code Section 501(c)(3) and California Revenue Taxation Code Section 23701d.
- 3) The Grant Award Amount is the maximum contract amount available to be utilized for the duration of the project (project year), whereas the (Federal) Program Expenditures amount are the actual amounts expended on the project during the fiscal year.

See independent auditors' report.

CORA
(Community Overcoming Relationship Abuse)

STATEMENT OF FUNCTIONAL EXPENSES BY PROGRAM
For the year ended June 30, 2015

	Program								Total Program Services	Management and General	Fundraising	Total
	Client Services	Clinical	Outreach	Legal	ER RWC (Housing)	ER SM (Housing)	Transitional Housing	Volunteer Program				
Salaries	\$ 346,729	\$ 143,131	\$ 39,510	\$ 190,134	\$ 24,166	\$ 302,285	\$ 119,060	\$ 17,259	\$ 1,182,274	\$ 294,225	\$ 276,907	\$ 1,753,406
Employee benefits	42,481	20,498	4,348	29,279		45,900	18,732	3,887	165,125	53,891	41,193	260,209
Payroll taxes	26,336	12,220	2,532	16,207		28,221	9,792	2,179	97,487	30,277	22,822	150,586
Total personnel costs	415,546	175,849	46,390	235,620	24,166	376,406	147,584	23,325	1,444,886	378,393	340,922	2,164,201
Rental assistance							345,047		345,047			345,047
Professional fees	17,654	60,275	1,197	5,654	3,338	43,941	4,766	12,108	148,933	53,051	33,688	235,672
In-kind expenses	11,865	29,785	8,885	6,462	45,538	31,801	5,805	29,697	169,838	30,443	9,613	209,894
Depreciation	4,052	955	309	881		118,623	3,579	103	128,502	6,813	1,767	137,082
Interest expense	18,951	5,209	1,684	4,805		19,827	5,052	561	56,089	26,125	9,633	91,847
Office expense	16,086	4,735	1,203	4,659	98	3,766	6,385	1,225	38,157	9,112	13,230	60,499
Training and education	2,178	4,383	434	3,255		1,643	1,294	2,758	15,945	24,193	4,866	45,004
Telephone	16,330	1,908	269	2,902	2,671	11,269	1,175	499	37,023	2,063	1,490	40,576
Utilities	8,696	2,522	903	2,700	3,926	6,293	5,455	209	30,704	4,928	4,238	39,870
Bank charges							15		15	23,648	7,010	30,673
Repairs and maintenance	434				5,158	16,138	284		22,014	41		22,055
Insurance	3,634	1,047	318	2,838	150	6,310	1,214	254	15,765	3,204	1,778	20,747
Program supplies	117		32	825	783	10,565	3,491		15,813	994	2,305	19,112
Printing	323	48	12	54		281	40	10	768	1,151	15,414	17,333
Travel	661	1,705	555	2,026	96	3,481	2,453	164	11,141	2,729	797	14,667
Dues and subscriptions			118	2,668		165			2,951	8,641	2,500	14,092
Miscellaneous expenses						5,663			5,663	6,723		12,386
Meals and entertainment	48	43		625		461	26	208	1,411	5,297	1,509	8,217
Postage	451	131	38	138		576	117	20	1,471	361	5,517	7,349
Emergency safe house						6,990			6,990			6,990
Advertising and promotion	430	75		75		150	1,110		1,840	2,271	1,330	5,441
Taxes					22	3,341			3,363	982		4,345
Program activities						179	375		554			554
Other fees				38		23			61	181	71	313
Total expenses	\$ 517,456	\$ 288,670	\$ 62,347	\$ 276,225	\$ 85,946	\$ 667,892	\$ 535,267	\$ 71,141	\$ 2,504,944	\$ 591,344	\$ 457,678	\$ 3,553,966

See independent auditors' report.

ADDITIONAL INFORMATION



Certified Public Accountants, LLP

**Independent Auditors' Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards***

To the Board of Directors
CORA (Community Overcoming Relationship Abuse)

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of CORA (Community Overcoming Relationship Abuse), which comprise the Statement of Financial Position as of June 30, 2015, 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 our report thereon dated December 10, 2015.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Harrington Group

San Francisco, California
December 10, 2015

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Certified Public Accountants, LLP

Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133

To the Board of Directors
CORA (Community Overcoming Relationship Abuse)

Report on Compliance for Each Major Federal Program

We have audited CORA (Community Overcoming Relationship Abuse) compliance with the types of compliance requirements described *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of CORA's major federal programs for the year ended June 30, 2015. CORA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of CORA's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our 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 OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about CORA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of CORA's compliance.

Opinion on Each Major Federal Program

In our opinion, CORA complied, in all material respects, with the 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, 2015.

Report on Internal Control Over Compliance

Management of CORA is responsible for establishing and maintaining effective internal control over compliance with the types of compliance referred to above. In planning and performing our audit of compliance, we considered CORA's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of CORA's internal control over compliance.

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**Independent Auditors' Report on Compliance for Each Major Program
and on Internal Control Over Compliance Required by OMB Circular A-133**
continued

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.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Harrington Group
San Francisco, California
December 10, 2015

CORA (Community Overcoming Relationship Abuse)
Schedule of Findings and Questioned Costs
For the year ended June 30, 2015

Section I – Summary of Auditors’ Results

Financial Statements:

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiencies identified? None reported

Noncompliance material to financial statements noted? No

Federal Awards:

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiencies identified? None reported

Type of auditors’ report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? No

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? Yes

Identification of Major Programs:

U.S. Department of Housing and Urban Development (“HUD”):
Supportive Housing Program 14.235

Section II – Financial Statements Findings

There are no findings required to be reported in accordance with *Generally Accepted Government Auditing Standards*.

Section III – Federal Award Findings and Questioned Costs

There are neither findings nor questioned costs for Federal Awards as defined in OMB Circular A-133.

Section IV – Summary Schedule of Prior Year Findings

None.