



Certified Public Accountants, LLP

CORA
(Community Overcoming Relationship Abuse)

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

JUNE 30, 2016

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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, 2016, 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, 2016, 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 accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. 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) 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statement in our report dated December 10, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015, 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 January 12, 2017, 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
January 12, 2017

CORA
(Community Overcoming Relationship Abuse)

STATEMENT OF FINANCIAL POSITION

June 30, 2016

With comparative totals at June 30, 2015

	2016	2015
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents (Note 2)	\$ 130,147	\$ 323,647
Receivable		
Grants receivable	473,494	182,775
Accounts receivable	46,603	18,815
Pledges receivable (Note 3)	7,500	79,557
Prepaid expenses	72,111	48,566
Deposits	10,200	10,200
Investments (Note 4)	2,029,686	2,121,228
Property and equipment (Note 6)	4,322,002	4,365,026
TOTAL ASSETS	\$ 7,091,743	\$ 7,149,814
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 73,153	\$ 47,982
Accrued wages	32,213	83,492
Accrued vacation	95,406	86,106
Client savings account	12,572	37,769
Line of credit (Note 7)	214,076	266,200
Notes payable (Note 8)	2,787,697	2,824,385
TOTAL LIABILITIES	3,215,117	3,345,934
NET ASSETS		
Unrestricted	3,621,517	3,339,797
Temporarily restricted (Note 11)	255,109	464,083
TOTAL NET ASSETS	3,876,626	3,803,880
TOTAL LIABILITIES AND NET ASSETS	\$ 7,091,743	\$ 7,149,814

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, 2016
With comparative totals for the year ended June 30, 2015

	Unrestricted	Temporarily Restricted	2016	2015
REVENUE AND SUPPORT				
Fees from government agencies	\$ 2,234,252	\$ -	\$ 2,234,252	\$ 1,759,347
Contributions	1,040,698	182,500	1,223,198	1,179,309
In-kind donations (Note 5)	246,508		246,508	275,560
Special event income, net of expenses of \$95,001	170,108		170,108	185,555
Other income	75,386		75,386	90,869
Interest and dividends	39,144		39,144	53,567
Net assets released from purpose restrictions (Note 11)	391,474	(391,474)	-	-
TOTAL REVENUE AND SUPPORT	4,197,570	(208,974)	3,988,596	3,544,207
EXPENSES				
Program services	2,846,109		2,846,109	2,504,944
Management and general	484,165		484,165	591,344
Fund development	557,560		557,560	457,678
TOTAL EXPENSES	3,887,834	-	3,887,834	3,553,966
CHANGE IN NET ASSETS FROM OPERATIONS	309,736	(208,974)	100,762	(9,759)
NON-OPERATING (LOSS)/GAIN				
Forgiveness of debt (Note 8)			-	275,000
Realized gain on investments	51,422		51,422	154,295
Unrealized (loss) on investments	(79,438)		(79,438)	(189,047)
TOTAL NON-OPERATING (LOSS)/GAIN	(28,016)	-	(28,016)	240,248
CHANGE IN NET ASSETS	281,720	(208,974)	72,746	230,489
NET ASSETS, BEGINNING OF YEAR	3,339,797	464,083	3,803,880	3,573,391
NET ASSETS, END OF YEAR	\$ 3,621,517	\$ 255,109	\$ 3,876,626	\$ 3,803,880

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, 2016
With comparative totals for the year ended June 30, 2015

	Program Services	Management and General	Fund Development	Total Expenses	
				2016	2015
Salaries	\$ 1,250,747	\$ 294,620	\$ 352,616	\$ 1,897,983	\$ 1,753,406
Employee benefits	160,659	44,072	47,463	252,194	260,209
Payroll taxes	107,735	25,939	30,533	164,207	150,586
Total personnel costs	1,519,141	364,631	430,612	2,314,384	2,164,201
Rental assistance	445,255	200		445,455	345,047
Professional fees	174,430	50,873	33,032	258,335	235,672
In-kind expenses	223,892	15,085	7,531	246,508	209,894
Depreciation	121,065		17,883	138,948	137,082
Office expense	68,190	6,663	14,951	89,804	60,499
Telephone	70,235	1,818	2,123	74,176	40,576
Interest expense	39,162	15,214	6,411	60,787	91,847
Utilities	36,614	4,155	4,626	45,395	39,870
Program supplies	28,124	155	287	28,566	19,112
Repairs and maintenance	24,832	332		25,164	22,055
Training and education	20,927	1,507	1,861	24,295	45,004
Insurance	19,657	1,836	1,767	23,260	20,747
Printing	9,140	1,991	10,649	21,780	17,333
Travel	16,604	1,633	384	18,621	14,667
Advertising and promotion	4,360	1,844	10,342	16,546	5,441
Dues and subscriptions	3,033	6,994	2,578	12,605	14,092
Meals and entertainment	2,298	6,177	2,168	10,643	8,217
Bank charges	329	1,964	7,063	9,356	30,673
Emergency safe house	7,860			7,860	6,990
Miscellaneous expenses	5,468			5,468	12,386
Postage	1,504	374	3,292	5,170	7,349
Taxes	3,306	719		4,025	4,345
Program activities	683			683	554
Other fees				-	313
TOTAL 2016 FUNCTIONAL EXPENSES	\$ 2,846,109	\$ 484,165	\$ 557,560	\$ 3,887,834	
TOTAL 2015 FUNCTIONAL EXPENSES	\$ 2,504,944	\$ 591,344	\$ 457,678		\$ 3,553,966

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, 2016
With comparative totals for the year ended June 30, 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 72,746	\$ 230,489
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
Depreciation	138,948	137,082
Reinvested interest and dividends	(39,124)	(53,567)
Loss on investments	28,016	34,752
Forgiveness of debt	-	(275,000)
In-kind donation capitalized	-	(65,666)
(Increase) decrease in operating assets:		
Grants receivable	(290,719)	69,646
Accounts receivable	(27,788)	86,234
Pledges receivable	72,057	(20,000)
Prepaid expenses	(23,545)	13,251
Deposits	-	(500)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	25,171	(1,876)
Accounts accrued wages	(51,279)	6,905
Accrued vacation	9,300	3,718
Client savings account	(25,197)	18,711
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	(111,414)	184,179
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of securities	102,650	121,704
Purchase of property and equipment	(95,924)	(55,693)
NET CASH PROVIDED BY INVESTING ACTIVITIES	6,726	66,011
CASH FLOWS FROM FINANCING ACTIVITIES:		
New borrowings on notes payable	200,500	407,532
Payments on notes payable/line of credit	(289,312)	(483,519)
NET CASH (USED) BY FINANCING ACTIVITIES	(88,812)	(75,987)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(193,500)	174,203
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	323,647	149,444
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 130,147	\$ 323,647
SUPPLEMENTAL DISCLOSURE:		
Operating activities reflects interest paid of:	\$ 60,787	\$ 91,847

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) (“CORA”) 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 fifteen 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, 2016.

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, 2016, 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, pledged contributions, and in-kind contributions at fair value. The specific techniques used to measure the fair value for these financial statement elements are 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, 2016, 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, 2015, 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 January 12, 2017, the date which the financial statements were available for issue. No events or transactions have occurred during this period that appear to require recognition or disclosure in the financial statements.

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, 2016 and are deemed fully collectible. Accordingly, no allowance for uncollectible pledges has been recorded as of June 30, 2016. Total amount of pledges receivable in the amount of \$7,500 at June 30, 2016, is expected to be collected within the year.

4. Investments

Investments at June 30, 2016 consist of the following:

Equities	\$1,263,603
Fixed income	667,942
Real assets	<u>98,141</u>
	<u>\$2,029,686</u>

5. Fair Value Measurements

The table below presents the balances of assets measured at fair value at June 30, 2016 on a recurring basis:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Fixed Income				
Government obligations	\$ 408,054	\$ -	\$ -	\$ 408,054
Corporate obligations	259,889			259,889
Equities				
International mutual funds	169,116			169,116
Domestic mutual funds	167,656			167,656
Information technology	153,291			153,291
Consumer discretionary	152,907			152,907
Health care	135,346			135,346
Financials	132,417			132,417
Consumer staples	100,284			100,284

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	84,731			84,731
International equities	82,720			82,720
Energy	50,416			50,416
Telecom services	19,544			19,544
Materials	15,174			15,174
Real Assets				
Real assets funds	<u>98,141</u>	<u> </u>	<u> </u>	<u>98,141</u>
Total investments	<u>\$2,029,686</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$2,029,686</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, 2016:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Pledged contributions - new	\$ -	\$ -	\$ 70,000	\$ 70,000
Donated materials and services	<u> </u>	<u> </u>	<u>246,508</u>	<u>246,508</u>
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$316,508</u>	<u>\$316,508</u>

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

6. Property and Equipment

Property and equipment at June 30, 2016 consist of the following:

Building	\$ 3,457,040
Land	1,571,690
Furniture and equipment	439,607
Research and Development	49,474
Vehicles	29,400
Leasehold improvements	<u>11,779</u>
	5,558,990
Less: accumulated depreciation	<u>(1,236,988)</u>
	<u>\$ 4,322,002</u>

Deprecation expense for the year ended June 30, 2016 was \$138,948.

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, 2017, bearing interest at a rate of 3.25%. The outstanding balance at June 30, 2016 was \$214,076.

8. Notes Payable

Notes payable at June 30, 2016 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. \$1,505,033

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, 2016 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, 2016 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, 2016 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 2033. 31,031

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>30,106</u>
	<u>\$2,787,697</u>

Principal payments on the note payable are as follows:

<u>Year ended June 30,</u>	
2017	\$ 44,256
2018	45,724
2019	47,243
2020	48,817
2021	50,446
Thereafter	<u>2,621,105</u>
Face amount of note payments	2,857,591
Less: Unamortized discount	<u>(69,894)</u>
Present value of note payments	<u>\$2,787,697</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 is remote since the use of the Transitional House and Safe House properties facilitates the mission of CORA.

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, 2016 consist of the following:

Restricted non cash contribution (from interest-free loan)	\$ 69,894
Sequoia Healthcare District	53,400
Denise Sobel	49,705
Bella Vista Foundation	40,000
Bob Cook	16,593
Mills Peninsula Foundation	10,000
Blue Shield of CA	8,017
Atkinson Foundation	<u>7,500</u>
	<u>\$255,109</u>

For the year ended June 30, 2016, net assets released from restrictions were \$391,474, which consist of \$390,180 released from purpose restrictions and \$1,294 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, 2016, CORA's matching contributions of up to 3% of an employee's annual earnings were \$33,306.

SUPPLEMENTAL SCHEDULES

CORA
(Community Overcoming Relationship Abuse)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2016

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 - Direct	CA0255B9T120802	14.235	12/01/15 - 11/30/16	\$ 229,668	\$ 124,782
Supportive Housing Program - Direct	CA0255B9T121004	14.235	12/01/14 - 11/30/15	229,668	106,268
Pass-through, City of Redwood City:					
Community Development Block Grant	N/A	14.228	07/01/15 - 06/30/16	15,477	15,477
Pass-through, City of South San Francisco:					
Community Development Block Grant	N/A	14.228	07/01/15 - 06/30/16	9,250	9,250
Pass-through, County of San Mateo:					
Emergency Shelter for Domestic Violence Survivors	N/A	14.231	07/01/15 - 06/30/16	24,943	24,943
Housing Authority of the County of San Mateo	N/A	14.871	11/15/14 - 11/14/18	1,020,970	261,657
Loan made in prior years for which continuing compliance is required:					
Pass- through, 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:					
Pass- through, County of San Mateo Department of Housing:					
Safe House	072300	14.218	03/18/13 - 03/18/43	131,000	131,000
Total HUD				1,760,976	773,377
U.S. Department of Health and Human Services ("HHS"):					
Pass-through, State of California:					
California Emergency Management Agency:					
Domestic Violence Assistance Program - FVPS	DV15051415	93.671	07/01/15 - 06/30/16	55,909	55,909
Domestic Violence Assistance Program - FVPS	DV15261415	93.671	07/01/15 - 06/30/16	198,100	198,100
Total HHS				254,009	254,009
U.S. Department of Justice ("DOJ"):					
Office of Justice Violence Against Women - Direct					
	2013-WH-AX-0051	16.736	10/01/13 - 09/30/16	300,000	162,423
Pass-through, State of California:					
California Emergency Management Agency					
Domestic Violence Assistance Program - VOCA (a)	DV15051415	16.575	07/01/15 - 06/30/16	219,367	219,367
Domestic Violence Assistance Program - VOCA (a)	DV15261415	16.575	07/01/15 - 06/30/16	77,176	77,176
Child Abuse Treatment Program - VOCA (a)	AT15011415	16.575	10/01/15 - 09/30/16	135,954	37,352
Unserviced/Underserved Victim Advocacy & Outreach Program (a)	XV15011415	16.575	04/01/16 - 03/31/18	350,000	4,293
Total DOJ				1,082,497	500,611
Total Federal Awards				\$ 3,097,482	\$ 1,527,997

(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, 2016

	Program								Total Program Services	Management and General	Fundraising	Total
	Client Services	Clinical	Outreach	Legal	Emergency Housing	Subsidized Housing	Transitional Housing	Volunteer Program				
Salaries	\$ 422,786	\$ 139,880	\$ 50,504	\$ 141,218	\$ 338,642	\$ 69,613	\$ 76,134	\$ 11,970	\$ 1,250,747	\$ 294,620	\$ 352,616	\$ 1,897,983
Employee benefits	50,227	20,095	6,586	18,691	40,360	6,778	15,597	2,325	160,659	44,072	47,463	252,194
Payroll taxes	36,246	11,821	4,322	12,093	29,589	5,319	7,282	1,063	107,735	25,939	30,533	164,207
Total personnel costs	509,259	171,796	61,412	172,002	408,591	81,710	99,013	15,358	1,519,141	364,631	430,612	2,314,384
Rental assistance					1,438	301,241	142,576		445,255	200		445,455
Professional fees	43,528	64,214	1,458	10,041	32,991	3,267	3,969	14,962	174,430	50,873	33,032	258,335
In-kind expenses	20,560	23,622	19,979	22,156	137,512		63		223,892	15,085	7,531	246,508
Depreciation	384				118,913		1,768		121,065		17,883	138,948
Office expense	18,330	11,096	892	4,260	26,251	1,411	4,296	1,654	68,190	6,663	14,951	89,804
Telephone	34,492	2,832	705	8,871	20,484	546	1,555	750	70,235	1,818	2,123	74,176
Interest expense	12,205	2,839	1,345	5,125	12,373	1,868	3,033	374	39,162	15,214	6,411	60,787
Utilities	15,166	1,912	913	2,888	8,891	1,295	5,279	270	36,614	4,155	4,626	45,395
Program supplies	11,677		682	12	15,637	90	26		28,124	155	287	28,566
Repairs and maintenance	1,017	1,264			22,224		297	30	24,832	332		25,164
Training and education	3,969	5,882	1,563	2,798	1,407	823	427	4,058	20,927	1,507	1,861	24,295
Insurance	3,954	724	348	2,398	10,871	494	664	204	19,657	1,836	1,767	23,260
Printing	2,819	814	242	1,313	2,644	343	894	71	9,140	1,991	10,649	21,780
Travel	502	145	1,209	2,020	2,437	6,859	3,386	46	16,604	1,633	384	18,621
Advertising and promotion	1,740	1,010	398	305	907				4,360	1,844	10,342	16,546
Dues and subscriptions	10			2,023	1,000				3,033	6,994	2,578	12,605
Meals and entertainment	587	9	149	537	348	604	38	26	2,298	6,177	2,168	10,643
Bank charges					304		25		329	1,964	7,063	9,356
Emergency safe house	473				7,387				7,860			7,860
Miscellaneous expenses				1,000	1,525	70	2,873		5,468			5,468
Postage	613	127	19	134	458	66	73	14	1,504	374	3,292	5,170
Taxes	125				3,181				3,306	719		4,025
Program activities	418				243			22	683			683
Other fees									-			-
Total expenses	\$ 681,828	\$ 288,286	\$ 91,314	\$ 237,883	\$ 838,017	\$ 400,687	\$ 270,255	\$ 37,839	\$ 2,846,109	\$ 484,165	\$ 557,560	\$ 3,887,834

See independent auditors' report.

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 *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) ("CORA"), which comprise the Statement of Financial Position as of June 30, 2016, 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 January 12, 2017.

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

Harrington Group

San Francisco, California
January 12, 2017

**Independent Auditors' Report on Compliance for Each Major Program
and on Internal Control Over Compliance Required by the Uniform Guidance**

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) ("CORA") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of CORA's major federal programs for the year ended June 30, 2016. CORA's major federal programs for the year ended 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 the audit requirements of Title 2 U.S. *Code of Federal Regulation* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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, 2016.

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 the Uniform Guidance, 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.

**Independent Auditors' Report on Compliance for Each Major Program
and on Internal Control Over Compliance Required by the Uniform Guidance**
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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Harrington Group

San Francisco, California
January 12, 2017

CORA (Community Overcoming Relationship Abuse)
Schedule of Findings and Questioned Costs
For the year ended June 30, 2016

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 200.516 Audit Findings of the Uniform Guidance? No

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

Auditee qualified as low-risk auditee? Yes

Identification of Major Programs:

U.S. Department of Justice (“DOJ”):
Crime Victim Assistance 16.575

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 the Uniform Guidance.

Section IV – Summary Schedule of Prior Year Findings

None.