

CORA
(Community Overcoming Relationship Abuse)

FINANCIAL STATEMENTS
and
SUPPLEMENTAL SCHEDULE

JUNE 30, 2018

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	7-16
Supplemental Schedule:	
Schedule of Functional Expenses by Program	17

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, 2018, 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, 2018, 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 Functional Expenses by Program is 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.

Report on Summarized Comparative Information

We have previously audited CORA's (Community Overcoming Relationship Abuse) 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 26, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respect, with the audited financial statements 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 24, 2019, 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 solely 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 the effectiveness of CORA's (Community Overcoming Relationship Abuse) 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

Oakland, California

January 24, 2019

CORA
(Community Overcoming Relationship Abuse)

STATEMENT OF FINANCIAL POSITION

June 30, 2018

With comparative totals at June 30, 2017

	2018	2017
ASSETS		
Cash and cash equivalents (Note 2)	\$ 251,951	\$ 190,192
Receivable		
Grants receivable	975,177	606,581
Accounts receivables	27,946	23,020
Pledges receivable (Note 3)	462,981	780,628
Prepaid expenses	69,670	84,283
Deposits	13,627	13,627
Investments (Note 4)	2,271,028	2,171,476
Property and equipment (Note 6)	4,228,593	4,298,518
	\$ 8,300,973	\$ 8,168,325
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 68,260	\$ 80,191
Accrued wages	55,265	53,877
Accrued vacation	82,148	119,844
Client savings account	4,730	13,453
Deferred revenue	-	16,697
Line of credit (Note 7)	130,000	500
Notes payable (Note 8)	2,752,627	2,764,349
	3,093,030	3,048,911
NET ASSETS		
Unrestricted	4,316,422	3,989,476
Temporarily restricted (Note 12)	891,521	1,129,938
	5,207,943	5,119,414
	\$ 8,300,973	\$ 8,168,325

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, 2018
With comparative totals for the year ended June 30, 2017

	Unrestricted	Temporarily Restricted	2018	2017
REVENUE AND SUPPORT				
Fees from government agencies	\$ 3,457,067	\$ -	\$ 3,457,067	\$ 2,856,221
Contributions	739,569	822,696	1,562,265	2,320,882
In-kind donations (Note 5)	175,771		175,771	281,608
Other income	138,584		138,584	91,215
Interest and dividends	40,766		40,766	31,173
Special event income, net of expenses of \$60,077	19,607		19,607	87,730
Net assets released from restrictions (Note 12)	1,061,113	(1,061,113)	-	-
TOTAL REVENUE AND SUPPORT	<u>5,632,477</u>	<u>(238,417)</u>	<u>5,394,060</u>	<u>5,668,829</u>
EXPENSES				
Program services	3,639,538		3,639,538	3,385,732
Management and general	1,173,396		1,173,396	590,298
Fund development	558,676		558,676	625,245
TOTAL EXPENSES	<u>5,371,610</u>	<u>-</u>	<u>5,371,610</u>	<u>4,601,275</u>
CHANGE IN NET ASSETS FROM OPERATIONS	<u>260,867</u>	<u>(238,417)</u>	<u>22,450</u>	<u>1,067,554</u>
NON-OPERATING GAIN/(LOSS)				
Realized gain on investments	50,525		50,525	192,615
Unrealized gain (loss) on investments	15,554		15,554	(17,381)
TOTAL NON-OPERATING GAIN/(LOSS)	<u>66,079</u>	<u>-</u>	<u>66,079</u>	<u>175,234</u>
CHANGE IN NET ASSETS	<u>326,946</u>	<u>(238,417)</u>	<u>88,529</u>	<u>1,242,788</u>
NET ASSETS, BEGINNING OF YEAR	<u>3,989,476</u>	<u>1,129,938</u>	<u>5,119,414</u>	<u>3,876,626</u>
NET ASSETS, END OF YEAR	<u>\$ 4,316,422</u>	<u>\$ 891,521</u>	<u>\$ 5,207,943</u>	<u>\$ 5,119,414</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, 2018
With comparative totals for the year ended June 30, 2017

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Development</u>	<u>Total Expenses</u>	
				2018	2017
Salaries	\$ 1,698,420	\$ 640,518	\$ 327,061	\$ 2,665,999	\$ 2,317,178
Employee benefits	225,165	80,732	43,759	349,656	292,047
Payroll taxes	153,075	48,886	28,294	230,255	200,205
Total personnel costs	2,076,660	770,136	399,114	3,245,910	2,809,430
Rental assistance	531,586			531,586	496,000
Professional fees	236,193	215,919	49,957	502,069	320,459
In-kind expenses	174,387	1,384		175,771	281,608
Office expense	125,438	14,028	19,211	158,677	91,818
Depreciation	129,724	2,112	7,327	139,163	132,402
Training and education	67,423	7,397	2,027	76,847	56,724
Advertising and promotion	32,596	3,100	31,006	66,702	35,818
Telephone	56,042	3,333	2,379	61,754	54,060
Interest expense		59,207		59,207	61,100
Utilities	43,339	6,119	2,646	52,104	51,089
Bank charges	202	30,924	10,849	41,975	7,344
Printing	15,763	1,058	15,767	32,588	28,831
Program supplies	32,433	60		32,493	30,341
Insurance	21,489	4,446	2,108	28,043	23,904
Travel	21,915	5,818	287	28,020	12,352
Miscellaneous expenses		26,025		26,025	266
Repairs and maintenance	21,189	1,721	2,894	25,804	19,531
Meals and entertainment	6,825	12,992	4,090	23,907	13,837
Program activities	19,460		24	19,484	42,014
Dues and subscriptions	7,245	6,947	3,184	17,376	10,674
Emergency safe house	12,206			12,206	9,640
Postage	2,003	474	5,806	8,283	7,502
Taxes	5,420	196		5,616	4,531
TOTAL 2018 FUNCTIONAL EXPENSES	\$ 3,639,538	\$ 1,173,396	\$ 558,676	\$ 5,371,610	
TOTAL 2017 FUNCTIONAL EXPENSES	\$ 3,385,732	\$ 590,298	\$ 625,245		\$ 4,601,275

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, 2018
With comparative totals for the year ended June 30, 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 88,529	\$ 1,242,788
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
Depreciation	139,163	132,402
Reinvested interest and dividends	(33,473)	(31,161)
(Gain) on investments	(66,079)	(175,234)
Non-cash contribution from non-interest bearing loan	(42,623)	(44,731)
(Increase) decrease in operating assets:		
Grants receivable	(368,596)	(133,087)
Accounts receivable	(4,926)	23,583
Pledges receivable	317,647	(773,128)
Prepaid expenses	14,613	(12,172)
Deposits	-	(3,427)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(11,931)	7,038
Accounts accrued wages	1,388	21,664
Accrued vacation	(37,696)	24,438
Deferred revenue	(16,697)	16,697
Client savings account	(8,723)	881
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	(29,404)	296,551
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of securities	-	64,605
Purchase of property and equipment	(69,238)	(108,918)
NET CASH (USED) BY INVESTING ACTIVITIES	(69,238)	(44,313)
CASH FLOWS FROM FINANCING ACTIVITIES:		
New borrowings on notes payable	1,558,762	261,379
Payments on notes payable	(1,527,861)	-
New borrowings on line of credit	180,000	-
Payments on notes payable/line of credit	(50,500)	(453,572)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	160,401	(192,193)
NET INCREASE IN CASH AND CASH EQUIVALENTS	61,759	60,045
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	190,192	130,147
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 251,951	\$ 190,192
SUPPLEMENTAL DISCLOSURE:		
Operating activities reflects interest paid of:	\$ 59,207	\$ 61,100

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 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, 2018.

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, 2018, 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 or (loss) 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, 2018, 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 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, 2017, 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 24, 2019, 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 pledged unless designated otherwise. All pledges are valued at the estimated fair present value at June 30, 2018 and are deemed fully collectible. Accordingly, allowance for uncollectible pledges has been recorded as of June 30, 2018. Discount on pledges receivable is immaterial, accordingly unamortized discount on pledges receivable is not recorded. Pledges receivable of \$462,981 at June 30, 2018, are expected to be collected as follows:

Within one year	\$327,635
One to three years	<u>135,346</u>
	<u>\$462,981</u>

4. Investments

Investments at June 30, 2018 consist of the following:

Equities	\$ 996,096
Fixed income	620,698
Alternative investment	378,379
Real assets	<u>275,855</u>
	<u>\$2,271,028</u>

5. Fair Value Measurements

The table below presents the balances of assets measured at fair value at June 30, 2018 on a recurring basis:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Fixed income				
Government obligations	\$ 256,290	\$ -	\$ -	\$ 256,290
Corporate obligations	237,454			237,454
International mutual funds	94,943			94,943
Domestic mutual funds	32,011			32,011

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>
Equities				
Domestic mutual funds	214,555			214,555
International mutual funds	204,060			204,060
Information technology	138,569			138,569
Financials	85,854			85,854
Health care	78,104			78,104
International equities	77,164			77,164
Consumer discretionary	72,894			72,894
Consumer staples	41,949			41,949
Industrials	40,293			40,293
Energy	23,783			23,783
Materials	9,966			9,966
Telecom services	8,905			8,905
Alternative investment				
Alternative investment funds	378,379			378,379
Real assets				
Real assets funds	<u>275,855</u>	<u> </u>	<u> </u>	<u>275,855</u>
Total investments	<u>\$2,271,028</u>	<u>\$ </u>	<u>\$ </u>	<u>\$2,271,028</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, 2018:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Pledged contributions - new	\$ -	\$ -	\$199,300	\$199,300
Donated materials and services	<u> </u>	<u> </u>	<u>175,771</u>	<u>175,771</u>
Total	<u>\$ </u>	<u>\$ </u>	<u>\$375,071</u>	<u>\$375,071</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).

continued

CORA (Community Overcoming Relationship Abuse)

NOTES TO FINANCIAL STATEMENTS

6. Property and Equipment

Property and equipment at June 30, 2018 consist of the following:

Building	\$ 3,597,680
Land	1,571,690
Furniture and equipment	477,123
Research and development	49,474
Vehicles	29,400
Leasehold improvements	<u>11,779</u>
	5,737,146
Less: accumulated depreciation	<u>(1,508,553)</u>
	<u>\$ 4,228,593</u>

Depreciation expense for the year ended June 30, 2018 was \$139,163.

7. Line of Credit

CORA has a line of credit with a financial institution, in the amount of \$700,000, due on February 22, 2019, bearing interest at the greater of floating index rate or floor rate of 4.50%. The outstanding balance at June 30, 2018 was \$130,000.

8. Notes Payable

Notes payable at June 30, 2018 consist of the following:

Note payable to a financial institution, secured by real property, with 18 monthly consecutive principal and interest of \$7,964 each, beginning March 22, 2018, with interest calculated of the unpaid principal balance 4.00%, 281 monthly consecutive principal and interest payment of \$8,000 each beginning September 22, 2019 with interest rate of 5.250% and one principal and interest payments of \$9,003 on February 22, 2043 including interest of 5.250% on the loan amount of \$1,500,000. \$1,455,496

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, 2018 is \$42,191. This interest has not been recorded on CORA's books. 937,527

continued

CORA (Community Overcoming Relationship Abuse)

NOTES TO FINANCIAL STATEMENTS

8. Notes Payable, continued

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, 2018 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, 2018 is \$3,930. This interest has not been recorded on CORA's books. 131,000

Interest-free note payable (see Note 9) to the County of San Mateo, secured by real property, with no monthly payments (deferred), due October 2043. 31,447

Note payable to the City of San Mateo, secured by real property, with monthly payments of \$250, including interest at 5%, due September 2033. 28,018

Interest-free note payable (see Note 9) to the County of San Mateo, secured by real property, with no monthly payments, due December 2047. 16,139
\$2,752,627

Principal payments on the notes payable are as follows:

<u>Year ended June 30,</u>	
2019	\$ 98,576
2020	99,010
2021	99,010
2022	99,010
2023	99,010
Thereafter	<u>2,367,660</u>
Face amount of note payments	2,862,276
Less: Unamortized discount	<u>(109,649)</u>
Present value of note payments	<u>\$2,752,627</u>

continued

CORA (Community Overcoming Relationship Abuse)

NOTES TO FINANCIAL STATEMENTS

8. Notes Payable, continued

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 two non-interest bearing notes 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 and December 2018 inception of the notes. The notes are payable in a single payment of \$100,000 in October 2043 and \$58,762 in December 2047 respectively.

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. 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, 2018, CORA's matching contributions of up to 3% of an employee's annual earnings were \$48,340.

CORA (Community Overcoming Relationship Abuse)

NOTES TO FINANCIAL STATEMENTS

12. Temporarily Restricted Net Assets

Temporarily restricted net assets at June 30, 2018 consist of the following:

Time-restricted 40 for 40 campaign contributions	\$582,981
Restricted non-cash contribution (from interest-free loan)	109,649
Crescent Porter Hale Foundation	35,000
Denise Sobel	34,233
John & Marcia Goldman Foundation	29,654
Bob Cook	24,907
George Sandy Foundation	22,190
San Bruno Community Foundation	20,000
Genentech Foundation	17,042
Cisco Foundation	9,965
Peninsula Health Care District	<u>5,900</u>
	<u>\$891,521</u>

For the year ended June 30, 2018, net assets released from restrictions were \$1,061,113, which consist of \$632,633 released from purpose restrictions and \$428,480 from time restrictions.

SUPPLEMENTAL SCHEDULE

CORA
(Community Overcoming Relationship Abuse)

STATEMENT OF FUNCTIONAL EXPENSES BY PROGRAM
For the year ended June 30, 2018

	Program							Total Program Services	Management and General	Fund Development	Total	
	Client Services	Clinical	Outreach	Legal	Emergency Housing	Subsidized Housing	Transitional Housing					Volunteer Program
Salaries	\$ 727,478	\$ 308,779	\$ 43,657	\$ 208,465	\$ 316,956	\$ 50,330	\$ 42,755	\$ -	\$ 1,698,420	\$ 640,518	\$ 327,061	\$ 2,665,999
Employee benefits	92,220	41,338	5,205	27,179	43,272	7,736	8,215		225,165	80,732	43,759	349,656
Payroll taxes	64,792	28,460	4,293	18,978	28,312	4,557	3,683		153,075	48,886	28,294	230,255
Total personnel costs	884,490	378,577	53,155	254,622	388,540	62,623	54,653	-	2,076,660	770,136	399,114	3,245,910
Rental assistance	2,700					368,074	160,812		531,586			531,586
Professional fees	59,243	82,531	29,719	13,009	26,717	4,952	3,351	16,671	236,193	215,919	49,957	502,069
In-kind expenses	38,439	16,385			118,063		1,500		174,387	1,384		175,771
Office expense	47,597	29,840	2,810	9,393	28,906	2,929	3,415	548	125,438	14,028	19,211	158,677
Depreciation	5,545	2,918	563	2,021	117,050	910	676	41	129,724	2,112	7,327	139,163
Training and education	38,766	17,944	1,420	3,237	560	5,167	111	218	67,423	7,397	2,027	76,847
Advertising and promotion	7,428	150	23,773	516	150	579			32,596	3,100	31,006	66,702
Telephone	21,018	5,435	943	7,868	17,315	2,088	1,334	41	56,042	3,333	2,379	61,754
Interest expense									-	59,207		59,207
Utilities	6,150	3,483	631	2,441	25,563	1,137	3,901	33	43,339	6,119	2,646	52,104
Bank charges	136				36		30		202	30,924	10,849	41,975
Printing	6,182	1,204	7,150	292	660	145	130		15,763	1,058	15,767	32,588
Program supplies	8,218	6,113		1,855	9,920	3,890	2,437		32,433	60		32,493
Insurance	4,927	2,589	493	3,800	7,061	805	594	1,220	21,489	4,446	2,108	28,043
Travel	8,628	1,627	997	1,564	2,433	5,975	628	63	21,915	5,818	287	28,020
Miscellaneous expenses									-	26,025		26,025
Repairs and maintenance	1,120			217	18,311		1,541		21,189	1,721	2,894	25,804
Meals and entertainment	1,387	1,655	2,239	219	521	464	154	186	6,825	12,992	4,090	23,907
Program activities	14,723	1,451			148			3,138	19,460		24	19,484
Dues and subscriptions		317	5,605	1,323					7,245	6,947	3,184	17,376
Emergency safe house	1,296				9,868		1,042		12,206			12,206
Postage	701	304	61	273	510	89	65		2,003	474	5,806	8,283
Taxes					5,420				5,420	196		5,616
Total expenses	\$ 1,158,694	\$ 552,523	\$ 129,559	\$ 302,650	\$ 777,752	\$ 459,827	\$ 236,374	\$ 22,159	\$ 3,639,538	\$ 1,173,396	\$ 558,676	\$ 5,371,610

See independent auditors' report.