

**CORA
(COMMUNITY OVERCOMING
RELATIONSHIP ABUSE)**

**FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORT**

**YEARS ENDED
JUNE 30, 2020 AND 2019**

CORA
(COMMUNITY OVERCOMING RELATIONSHIP ABUSE)

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Management
CORA (Community Overcoming Relationship Abuse)
San Mateo, California

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, 2020 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.

Auditor's 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, 2020 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.

Other Matters

Prior Period Financial Statements and Report on Summarized Comparative Information

The financial statements of CORA (Community Overcoming Relationship Abuse) as of and for the year ended June 30, 2019, were audited by other auditors whose report dated March 10, 2020, expressed an unmodified opinion on those statements. In our opinion the summarized comparative information presented herein as of and for the year ended June 30, 2019 is consistent in all material respects, with the audited financial statements from which it was derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2021, 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.

A handwritten signature in blue ink, appearing to read "Manly Hill CPAs".

Sacramento, California

June 29, 2021

CORA
(COMMUNITY OVERCOMING RELATIONSHIP ABUSE)

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2020 WITH COMPARATIVE TOTALS AS OF JUNE 30, 2019

	<u>2020</u>	<u>2019</u> <u>(Restated)</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 486,629	\$ 388,760
Grants receivable	1,148,146	1,187,440
Pledges receivable	396,897	273,670
Accounts receivable	-	175
Prepaid expenses	98,065	92,839
Deposits	<u>54,215</u>	<u>17,214</u>
Total current assets	<u>2,183,952</u>	<u>1,960,098</u>
INVESTMENTS	2,583,477	2,363,399
PROPERTY AND EQUIPMENT, NET	<u>4,074,680</u>	<u>4,166,201</u>
TOTAL ASSETS	<u>\$ 8,842,109</u>	<u>\$ 8,489,698</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ 192,362	\$ 132,317
Accrued wages	65,467	54,397
Accrued vacation	134,293	115,993
Client savings account	500	500
Current portion of notes payable	<u>36,145</u>	<u>35,579</u>
Total current liabilities	<u>428,767</u>	<u>338,786</u>
NOTES PAYABLE	<u>2,646,003</u>	<u>2,682,148</u>
TOTAL LIABILITIES	<u>3,074,770</u>	<u>3,020,934</u>
NET ASSETS:		
Without donor restrictions - as restated (Note 3)	4,929,831	4,910,733
With donor restrictions	<u>837,508</u>	<u>558,031</u>
Total net assets	<u>5,767,339</u>	<u>5,468,764</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 8,842,109</u>	<u>\$ 8,489,698</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, 2020 WITH COMPARATIVE TOTALS
FOR THE YEAR ENDED JUNE 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total	2019 (Restated)
REVENUES:				
Government grants	\$ 4,112,607	\$ -	\$ 4,112,607	\$ 3,599,936
Contributions	1,058,337	1,080,063	2,138,400	2,007,695
In-kind donations	17,920	-	17,920	163,426
Other income	28,191	-	28,191	50,013
Interest and investment income	38,479	-	38,479	124,804
Special event income (net of expenses of \$36,352 in 2020 and \$48,865 in 2019)	54,369	-	54,369	23,811
Net assets released from restrictions	<u>800,586</u>	<u>(800,586)</u>	<u>-</u>	<u>-</u>
Total revenues	<u>6,110,489</u>	<u>279,477</u>	<u>6,389,966</u>	<u>5,969,685</u>
EXPENSES:				
Program services	4,363,155	-	4,363,155	3,867,821
Management and General	1,228,801	-	1,228,801	1,338,261
Fund development	<u>499,435</u>	<u>-</u>	<u>499,435</u>	<u>502,782</u>
Total expenses	<u>6,091,391</u>	<u>-</u>	<u>6,091,391</u>	<u>5,708,864</u>
INCREASE IN NET ASSETS	19,098	279,477	298,575	260,821
NET ASSETS, Beginning of Year - as restated	<u>4,910,733</u>	<u>558,031</u>	<u>5,468,764</u>	<u>5,207,943</u>
NET ASSETS, End of Year	<u>\$ 4,929,831</u>	<u>\$ 837,508</u>	<u>\$ 5,767,339</u>	<u>\$ 5,468,764</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, 2020 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2019

	<u>Children's Services</u>	<u>CIS/ERP</u>	<u>Clinical Mental Health</u>	<u>Community Advocacy Services</u>	<u>Community Education</u>	<u>Housing Program</u>	<u>Legal Services</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Development</u>	<u>2020 Total</u>	<u>2019 Total</u>
Salaries	\$ 197,504	\$ 359,079	\$ 273,679	\$ 192,254	\$ 60,678	\$ 621,930	\$ 257,926	\$ 1,963,050	\$ 493,041	\$ 291,316	\$ 2,747,407	\$ 2,579,278
Benefits	23,465	46,853	34,972	22,434	6,507	76,161	31,282	241,674	56,687	34,077	332,438	325,463
Payroll taxes	18,176	33,132	25,249	17,804	5,677	56,240	23,330	179,608	78,200	26,956	284,764	216,201
Total personnel costs	239,145	439,064	333,900	232,492	72,862	754,331	312,538	2,384,332	627,928	352,349	3,364,609	3,120,942
Professional fees	14,009	34,649	84,588	10,919	18,251	51,547	57,738	271,701	357,123	30,191	659,015	712,114
Rental assistance	-	-	-	5,000	-	909,871	-	914,871	-	-	914,871	603,318
Bad debt expense	4,855	8,827	25,599	4,726	1,492	15,288	6,340	67,127	20,455	7,161	94,743	193,507
In-kind expense	-	17,920	-	-	-	-	-	17,920	-	-	17,920	163,425
Depreciation	920	1,673	1,275	896	283	122,626	1,202	128,875	2,298	6,302	137,475	158,337
Office expense	8,044	34,172	13,557	7,520	2,729	79,575	16,933	162,530	47,488	22,264	232,282	150,318
Program supplies	971	1,960	7,116	1,518	875	92,498	793	105,731	106	2	105,839	118,211
Interest	108	196	150	105	33	340	141	1,073	78,306	159	79,538	71,508
Telephone	5,941	15,538	6,983	5,922	1,942	24,052	7,858	68,236	15,673	6,513	90,422	68,316
Utilities	2,176	3,955	3,015	2,118	668	32,211	2,841	46,984	5,431	3,209	55,624	52,975
Advertising	-	-	-	-	-	75	-	75	23,476	33,359	56,910	41,936
Insurance	2,013	3,660	2,789	1,959	618	7,995	2,629	21,663	5,175	2,969	29,807	36,407
Repairs and maintenance	814	1,848	1,128	902	250	15,795	1,063	21,800	6,531	1,201	29,532	32,819
Training	1,889	3,046	14,733	369	134	7,627	2,243	30,041	7,616	4,780	42,437	32,410
Printing	364	1,242	458	838	53	791	275	4,021	556	7,475	12,052	30,243
Emergency Housing	-	-	-	-	-	72,920	-	72,920	1,655	-	74,575	29,717
Meals	64	7,631	229	12	185	10,285	148	18,554	6,206	415	25,175	23,167
Travel	154	492	382	3,020	343	7,790	2,342	14,523	6,068	2,794	23,385	19,918
Dues and subscriptions	10	19	14	10	3	462	2,668	3,186	10,439	12,021	25,646	18,814
Program activities	362	-	-	-	123	239	45	769	27	-	796	11,870
Bank charges	16	29	22	15	5	49	20	156	2,147	3,763	6,066	7,699
Postage	124	225	202	121	38	458	176	1,344	961	2,084	4,389	5,423
Miscellaneous	260	473	361	254	80	2,955	340	4,723	3,136	424	8,283	5,470
Total	\$ 282,239	\$ 576,619	\$ 496,501	\$ 278,716	\$ 100,967	\$ 2,209,780	\$ 418,333	\$ 4,363,155	\$ 1,228,801	\$ 499,435	\$ 6,091,391	\$ 5,708,864

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, 2020 WITH COMPARATIVE TOTALS
FOR THE YEAR ENDED JUNE 30, 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in net assets	\$ 298,575	\$ 260,821
Reconciliation to net cash provided by operating activities:		
Depreciation	137,475	158,337
Realized and unrealized gain (loss) on marketable securities	14,546	(51,832)
Changes in:		
Grants receivable	39,294	(212,263)
Pledges receivable	(123,227)	(122,229)
Accounts receivable	175	339,311
Prepaid expenses	(5,226)	(23,169)
Deposits	(37,001)	(3,587)
Accounts payable	60,045	64,057
Accrued wages	11,070	(868)
Accrued vacation	18,300	33,845
Client savings account	-	(4,230)
Net cash provided by operating activities	<u>414,026</u>	<u>438,193</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of marketable securities	104,150	-
Purchases of marketable securities	(338,774)	(40,539)
Purchases of property and equipment	(45,954)	(95,945)
Net cash used by investing activities	<u>(280,578)</u>	<u>(136,484)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on notes payable	(35,579)	(38,839)
Borrowings on line of credit	470,000	275,000
Payments on line of credit	(470,000)	(401,061)
Net cash used by financing activities	<u>(35,579)</u>	<u>(164,900)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	97,869	136,809
CASH AND CASH EQUIVALENTS, Beginning of Year	<u>388,760</u>	<u>251,951</u>
CASH AND CASH EQUIVALENTS, End of Year	<u>\$ 486,629</u>	<u>\$ 388,760</u>

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

CORA (COMMUNITY OVERCOMING RELATIONSHIP ABUSE)

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020 AND 2019

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.

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

Net Assets – Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Without Donor Restrictions. Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

With Donor Restrictions. Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue Recognition – All contributions are considered available for CORA’s general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as support with donor restrictions and increase the respective class of net assets. Net assets are released from restriction when donor restrictions are met through passage of time or as qualifying expenditures are incurred.

Contract and grant revenues are recognized as the related services are provided. Payments under such contracts are generally received on a cost-reimbursement basis.

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. Conditional promises to give are not included as support until the conditions are substantially met.

Investments – Investments in marketable securities with readily determinable fair values and all investments in debt securities are classified as available-for-sale and reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains/losses restricted by a donor are reported as increases/decreases in net assets without donor restrictions if the restrictions are met in the same reporting period as the income is recognized.

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. FASB Accounting Standards Codification ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 establishes a fair value hierarchy that prioritizes inputs to the valuation techniques used to measure fair value. The hierarchy gives the highest priority to

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs. The applicable level of the fair value hierarchy is as follows:

- | | |
|---------|---|
| Level 1 | Quoted prices in active markets for identical assets or liabilities. Valuations for assets and liabilities traded in active exchange markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities. |
| Level 2 | Inputs other than quoted prices within Level 1 that are observable, either directly or indirectly. Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities. |
| Level 3 | Inputs are unobservable. Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets and liabilities. |

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, 2020, 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.

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.

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NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020 AND 2019

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, 2019, from which the summarized information was derived.

Subsequent Events – Management has evaluated subsequent events through June 29, 2021, 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.

Recent Accounting Pronouncements

ASU 2018-08 Not-for-Profit Entities (Topic 958) Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made

The purpose of this standard is to clarify and improve the current guidance about whether a transfer of assets (or the reduction, settlement, or cancellation of liabilities) is a contribution or an exchange transaction. The amendments clarify how an entity determines whether a resource provider is participating in an exchange transaction by evaluating whether the resource provider is receiving commensurate value in return for the resources transferred on the basis of the following: (1) A resource provider (including a foundation, a government agency, or other) is not synonymous with the general public. A benefit received by the public as a result of the assets transferred is not equivalent to commensurate value received by the resource provider. (2) Execution of a resource provider's mission or the positive sentiment from acting as a donor does not constitute commensurate value received by a resource provider for the purposes of determining whether a transfer of assets is a contribution or an exchange. Adoption of this standard as of June 30, 2020 had no effect on CORA's current year financial statements.

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ASU 2016-18 – Statement of Cash Flows (Topic 230) Restricted Cash

The standard addresses the diversity in practice that exists regarding the classification and the presentation of changes in restricted cash on the statement of cash flows under topic 230, Statement of Cash Flows. The standard requires cash flow statements to explain the changes during a reporting period of the totals for cash, cash equivalents, restricted cash and restricted cash equivalents. Amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and the end-of-period total amounts set forth on the statement of cash flows. Adoption of this standard as of June 30, 2020 had no effect on CORA's current year financial statements.

Future Accounting Pronouncements

ASU 2016-02 – Leases (Topic 842)

The new accounting standard requires lessees to recognize a lease liability measured on a discounted basis and a right-of-use asset for all leases with terms longer than 12 months. Unlike Current GAAP, which required only capital leases to be recognized on the balance sheet, this pronouncement will require both operating and finance leases to be recognized on the balance sheet. Additionally, the ASU will require disclosures to help investors and other financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases, including qualitative and quantitative requirements. Application of this statement is effective for the year ending June 30, 2022. The Organization is currently evaluating the impact this pronouncement will have on the financial statements.

ASU 2014-19 – Revenue from Contracts with Customers (Topic 606)

In May 2014, the Financial Accounting Standards Board (FASB) issued amended guidance to clarify the principles for recognizing revenue from contracts with customers. The guidance requires an entity to recognize the revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The guidance also requires expanded disclosures relating to the nature, timing, and uncertainty of revenue and cash flows arising from contracts with customers. Application of this statement is effective for the year ending June 30, 2021. The Organization is currently evaluating the impact this pronouncement will have on the financial statements.

3. PRIOR PERIOD ADJUSTMENT

Subsequent to the issuance of the previous year's financial statements, management gathered information on a promise to give made to CORA during the year ended June 30, 2019 that was not recognized in the previously issued financial statements. As unconditional promises to give are to be recorded in full, CORA recognized the pledge balance of \$150,000 in the year ended June 30, 2019. The impact of this adjustment in the year ended June 30, 2019 is as follows:

Pledges receivable increased from \$123,670 to \$273,670, contribution revenue increased from \$1,857,695 to \$2,007,695, and net assets increased from \$5,318,764 to \$5,468,764.

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(COMMUNITY OVERCOMING RELATIONSHIP ABUSE)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

4. LIQUIDITY AND AVAILABILITY OF RESOURCES

CORA regularly monitors liquidity required to meet its operating needs and other contractual commitments via cash flow projections, management, and review by the Finance Committee of the Board of Directors.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, CORA considers all expenditures related to its ongoing activities and the pattern of income from grants, contracts, fundraising, and services. The Finance Committee actually reports to the full CORA Board at every board meeting, assess risk, and make recommendations for changes as needed.

In addition to financial assets available to meet general expenditures over the next 12 months, CORA operates with an approved budget that has sufficient revenue along with the resources below to cover general expenditures not covered by donor-restricted resources.

As of June 30, 2020, the following financial assets could readily be made available within one year of the balance sheet date to meet general expenditures:

Cash and cash equivalents	\$ 486,629
Grants and pledges receivable	1,545,043
Investments	<u>2,583,477</u>
Total financial assets	4,615,149
Less: Donor restricted funds - time and purpose	<u>837,508</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,777,641</u>

5. 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, 2020 and are deemed fully collectible. Accordingly, no allowance for uncollectible pledges has been recorded as of June 30, 2020. Discount on pledges receivable is immaterial, accordingly unamortized discount on pledges receivable is not recorded. Pledges receivable of \$396,897 at June 30, 2020, are expected to be collected as follows:

Within one year	\$ 286,897
One to three years	<u>110,000</u>
	<u>\$ 396,897</u>

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6. INVESTMENTS

Investments at June 30, 2020 consist of the following:

Equities	\$ 1,299,187
Fixed income	717,884
Cash held for reinvestment	284,360
Alternative investment	230,066
Real assets	<u>51,980</u>
	<u>\$ 2,583,477</u>

7. FAIR VALUE MEASUREMENTS

The table below presents the balances of assets measured at fair value at June 30, 2020 on a recurring basis:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Fixed income:				
Government obligations	\$ 268,318	\$ -	\$ -	\$ 268,318
Corporate obligations	252,072	-	-	252,072
International mutual funds	39,234	-	-	39,234
Domestic mutual funds	158,260	-	-	158,260
Equities:				
International equities	90,177	-	-	90,177
Domestic mutual funds	288,084	-	-	288,084
Information technology	211,883	-	-	211,883
International mutual funds	317,701	-	-	317,701
Health care	120,403	-	-	120,403
Financials	67,661	-	-	67,661
Consumer discretionary	73,236	-	-	73,236
Consumer staples	50,165	-	-	50,165
Industrials	41,854	-	-	41,854
Energy	15,768	-	-	15,768
Materials	15,695	-	-	15,695
Telecom services	6,560	-	-	6,560
Alternative investment:				
Alternative investment funds	230,066	-	-	230,066
Real assets:				
Real assets funds	<u>51,980</u>	<u>-</u>	<u>-</u>	<u>51,980</u>
Total investments	<u>\$ 2,299,117</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,299,117</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).

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The table below presents transactions measured at fair value on a non-recurring basis during the year ended June 30, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Pledged contributions - new	\$ -	\$ -	\$ 400,329	\$ 400,329
Donated materials and services	<u>-</u>	<u>17,920</u>	<u>-</u>	<u>17,920</u>
Total	<u>\$ -</u>	<u>\$ 17,920</u>	<u>\$ 406,829</u>	<u>\$ 418,249</u>

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

The fair value of donated materials and services has been measured on a non-recurring basis using quoted prices for similar assets in inactive markets (Level 2 inputs).

8. PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2020 consist of the following:

Building	\$ 3,709,133
Land	1,571,690
Furniture and equipment	477,123
Research and development	49,474
Vehicles	59,846
Leasehold improvements	<u>11,779</u>
	5,879,045
Less: accumulated depreciation	<u>(1,804,365)</u>
	<u>\$ 4,074,680</u>

Depreciation expense for the year ended June 30, 2020 was \$153,206.

9. LINE OF CREDIT

CORA has a line of credit with a financial institution, in the amount of \$700,000, bearing interest at the greater of floating index rate or floor rate of 4.50%. The outstanding balance at June 30, 2020 was \$0.

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10. NOTES PAYABLE

Notes payable at June 30, 2020 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.	\$ 1,384,129
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, 2020 is \$225,006. 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, 2020 is \$59,670. 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, 2020 is \$27,510. This interest has not been recorded on CORA's books.	131,000
Interest-free note payable (see Note 11) to the County of San Mateo, secured by real property, with no monthly payments (deferred), due October 2043.	34,345
Note payable to the City of San Mateo, secured by real property, with monthly payments of \$250, including interest at 5%, due September 2033.	24,967
Interest-free note payable (see Note 11) to the County of San Mateo, secured by real property, with no monthly payments, due December 2047.	<u>17,180</u>
	<u>\$ 2,682,148</u>

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Principal payments on the notes payable are as follows:

Year ending-June 30,

2021	\$ 36,145
2022	978,817
2023	43,505
2024	45,840
2025	48,300
Thereafter	<u>1,636,778</u>
Face amount of note payments	2,840,910
Less: Unamortized discount	<u>(107,237)</u>
Present value of note payments	<u>\$ 2,682,148</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.

11. NON-INTEREST-BEARING NOTES

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.

12. 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.

Contingency

The World Health Organization declared the worldwide coronavirus (COVID-19) outbreak a public health emergency on January 30, 2020 and officially declared it as a pandemic as of March 11, 2020. Management has performed an evaluation of certain financial statement line items such as cash and

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cash equivalents, pledges and accounts receivable, investments, property and equipment, and notes payable to determine whether valuation or impairment adjustments should be made. Management has determined that the amounts reported on the financial statements are properly valued as of June 30, 2020. However since the duration and full effects of the COVID-19 outbreak are yet unknown there could be future negative impacts to the financial condition of the Organization.

13. 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, 2020, CORA's matching contributions of up to 3% of an employee's annual earnings were \$42,878.

14. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions by time or purpose at June 30, 2020 consist of the following:

Time-restricted	\$ 396,879
Region - specific funding	14,492
Non-cash contribution	109,649
Mental Health Programs	214,589
COVID-19 funding	82,634
Children's programs	10,200
Other	<u>9,065</u>
Total	<u>\$ 837,508</u>

For the year ended June 30, 2020, net assets released from restrictions were \$800,586 which consist of \$568,446 released from purpose restrictions and \$232,140 from time restrictions.