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**CORA**  
**(COMMUNITY OVERCOMING RELATIONSHIP ABUSE)**

**FINANCIAL STATEMENTS WITH  
INDEPENDENT AUDITOR'S REPORT  
JUNE 30, 2021 AND 2020**

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**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, 2021, 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, 2021, 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.

## **Report on Summarized Comparative Information**

We have previously audited CORA's (Community Overcoming Relationship Abuse) June 30, 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 29, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, 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 March 30, 2022, 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 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 "M. L. H. G. P. S.", is positioned above the typed text.

Sacramento, California  
March 30, 2022

**CORA  
(COMMUNITY OVERCOMING RELATIONSHIP ABUSE)**

**STATEMENTS OF FINANCIAL POSITION  
AS OF JUNE 30, 2021  
WITH COMPARATIVE TOTALS AS OF JUNE 30, 2020**

	<b>2021</b>	<b>2020</b>
<b><u>ASSETS</u></b>		
<b>Current Assets</b>		
Cash and cash equivalents (Note 3)	\$ 1,315,329	\$ 486,629
Grants receivable	1,221,612	1,148,146
Pledges receivable (Note 4)	170,000	396,897
Accounts receivable	600	-
Prepaid expenses	72,561	98,065
Deposits	-	54,215
<b>Total Current Assets</b>	<b>2,780,102</b>	<b>2,183,952</b>
<b>Non-Current Assets</b>		
Investments (Note 5)	3,088,902	2,583,477
Property and equipment, net of accumulated depreciation (Note 7)	3,971,303	4,074,680
<b>Total Non-Current Assets</b>	<b>7,060,205</b>	<b>6,658,157</b>
<b>Total Assets</b>	<b>\$ 9,840,307</b>	<b>\$ 8,842,109</b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 116,448	\$ 192,362
Accrued wages	91,683	65,467
Accrued vacation	152,076	134,293
Client savings account	500	500
Line of credit (Note 8)	700,000	-
Current portion of notes payable (Note 9)	975,269	36,145
<b>Total Current Liabilities</b>	<b>2,035,976</b>	<b>428,767</b>
<b>Non-Current Liabilities</b>		
Notes payable - less current portion (Note 9)	1,674,825	2,646,003
<b>Total Non-Current Liabilities</b>	<b>1,674,825</b>	<b>2,646,003</b>
<b>Total Liabilities</b>	<b>3,710,801</b>	<b>3,074,770</b>
<b>Net Assets (Note 13)</b>		
With donor restrictions	775,008	4,929,831
Without donor restrictions	5,354,498	837,508
<b>Total Net Assets</b>	<b>6,129,506</b>	<b>5,767,339</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 9,840,307</b>	<b>\$ 8,842,109</b>

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, 2021**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>2020</u>
<b>REVENUES</b>				
Government grants	\$ 4,268,268	\$ -	\$ 4,268,268	\$ 4,112,607
Contributions	1,263,777	625,500	1,889,277	2,138,400
In-kind donations	81,681	-	81,681	17,920
Other income	4,746	-	4,746	28,191
Interest and investment income	577,337	-	577,337	38,479
Special event income (net of expenses)	-	-	-	54,369
Net assets released from restrictions	<u>688,000</u>	<u>(688,000)</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>6,883,809</u>	<u>(62,500)</u>	<u>6,821,309</u>	<u>6,389,966</u>
<b>EXPENSES</b>				
Program services	4,258,604	-	4,258,604	4,363,155
Management and general	1,801,991	-	1,801,991	1,228,801
Fund development	<u>398,547</u>	<u>-</u>	<u>398,547</u>	<u>499,435</u>
Total Expenses	<u>6,459,142</u>	<u>-</u>	<u>6,459,142</u>	<u>6,091,391</u>
<b>Change in Net Assets</b>	424,667	(62,500)	362,167	298,575
<b>Net Assets, Beginning of Year</b>	<u>4,929,831</u>	<u>837,508</u>	<u>5,767,339</u>	<u>5,468,764</u>
<b>Net Assets, End of Year</b>	<u>\$ 5,354,498</u>	<u>\$ 775,008</u>	<u>\$ 6,129,506</u>	<u>\$ 5,767,339</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, 2021**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020**

								<u>Supporting Services</u>		<u>Totals</u>	
	<u>Housing Program</u>	<u>Clinical Mental Health</u>	<u>Legal Services</u>	<u>Crisis Intervention Services</u>	<u>Community Education</u>	<u>Children's Services</u>	<u>Community Advocacy Services</u>	<u>Management &amp; General</u>	<u>Fund Development</u>	<u>Total 2021</u>	<u>Total 2020</u>
Salaries	\$ 603,754	\$ 304,283	\$ 293,825	\$ 288,237	\$ 82,486	\$ 188,380	\$ 186,814	\$ 489,841	\$ 263,509	\$ 2,701,129	\$ 2,747,407
Benefits	81,406	75,215	46,251	31,503	(106)	6,787	10,683	15,018	18,075	284,832	332,438
Payroll taxes	<u>57,382</u>	<u>22,052</u>	<u>32,355</u>	<u>32,640</u>	<u>5,326</u>	<u>18,713</u>	<u>26,384</u>	<u>56,715</u>	<u>14,651</u>	<u>266,218</u>	<u>284,764</u>
Total payroll costs	742,542	401,550	372,431	352,380	87,706	213,880	223,881	561,574	296,235	3,252,179	3,364,609
Professional fees	5,555	107,707	(93,550)	12,307	177	28,007	401	768,200	7,206	836,010	659,015
Rental assistance	1,041,316	14,554	-	-	-	-	6,500	1,683	-	1,064,053	914,871
Bad debt expense	-	-	-	-	-	-	-	80,103	-	80,103	94,743
In-kind expense	81,681	-	-	-	-	-	-	-	-	81,681	17,920
Depreciation	119,031	686	662	650	186	425	421	8,775	5,211	136,047	137,475
Office expense	45,559	34,346	8,286	8,233	2,154	7,347	4,711	119,828	10,435	240,899	232,282
Program supplies	24,931	1,249	8,852	8,006	2	2,030	85	16,435	5	61,595	105,839
Interest	-	-	-	-	-	-	-	93,625	-	93,625	79,538
Telephone	34,285	16,297	11,317	15,330	3,625	7,922	7,007	26,556	8,474	130,813	90,422
Utilities	29,688	3,573	112	110	32	72	71	24,901	101	58,660	55,624
Advertising	-	-	195	-	-	-	-	4,945	29,129	34,269	56,910
Insurance	-	-	-	-	-	-	-	18,722	-	18,722	29,807
Repairs & maintenance	6,268	1,703	221	216	62	141	140	10,755	198	19,704	29,532
Training	88	23,388	627	243	5	5,820	10	17,283	15	47,479	42,437
Printing	1,183	570	504	495	370	341	437	1,765	24,303	29,968	12,052
Emergency housing	84,455	-	-	90,591	-	-	-	1,993	-	177,039	74,575
Meals	4,640	177	-	3,134	-	-	-	3,606	43	11,600	25,175
Travel	8,077	92	1,694	1,038	12	28	72	1,064	39	12,116	23,385
Dues & subscriptions	(1,068)	(563)	3,131	(70)	522	(349)	(346)	37,057	6,586	44,900	25,646
Program activities	-	1,000	-	-	14	300	-	-	-	1,314	796
Bank charges	(49)	(25)	(24)	(23)	(7)	(15)	(15)	1,661	8,030	9,533	6,066
Postage	346	177	174	173	46	114	104	914	438	2,486	4,389
Events	-	-	-	-	-	-	-	360	1,184	1,544	-
Miscellaneous	<u>7,029</u>	<u>1,058</u>	<u>1,021</u>	<u>1,002</u>	<u>287</u>	<u>655</u>	<u>650</u>	<u>186</u>	<u>915</u>	<u>12,803</u>	<u>8,283</u>
<b>TOTAL EXPENSES</b>	<b><u>\$ 2,235,557</u></b>	<b><u>\$ 607,539</u></b>	<b><u>\$ 315,653</u></b>	<b><u>\$ 493,815</u></b>	<b><u>\$ 95,193</u></b>	<b><u>\$ 266,718</u></b>	<b><u>\$ 244,129</u></b>	<b><u>\$ 1,801,991</u></b>	<b><u>\$ 398,547</u></b>	<b><u>\$ 6,459,142</u></b>	<b><u>\$ 6,091,391</u></b>

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, 2021**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020**

	<b>2021</b>	<b>2020</b>
<b><u>Cash Flows from Operating Activities</u></b>		
Change in net assets	\$ 362,167	\$ 298,575
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	136,047	137,475
Adjustment to net present value of notes payable	4,730	-
Net realized and unrealized (gain) loss	(577,337)	14,546
Decrease (Increase) in:		
Grants receivable	(73,466)	39,294
Pledges receivable	226,897	(123,227)
Accounts receivable	(600)	175
Prepaid expenses	22,416	(5,226)
Deposits	54,215	(37,001)
Increase (Decrease) in:		
Accounts payable	(75,914)	60,045
Accrued wages	26,216	11,070
Accrued vacation	17,783	18,300
	<u>123,154</u>	<u>414,026</u>
<b><u>Cash Flows from Investing Activities</u></b>		
Proceeds from sale of marketable securities	75,000	104,150
Purchases of marketable securities	-	(338,774)
Purchase of property and equipment	(32,670)	(45,954)
	<u>42,330</u>	<u>(280,578)</u>
<b><u>Cash Flows from Financing Activities</u></b>		
Borrowing on line of credit	700,000	470,000
Payment on line of credit	-	(470,000)
Payments on notes payable	(36,784)	(35,579)
	<u>663,216</u>	<u>(35,579)</u>
<b>Net Increase in Cash and Cash Equivalents</b>	<u>828,700</u>	<u>97,869</u>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>486,629</u>	<u>388,760</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 1,315,329</u>	<u>\$ 486,629</u>

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



**CORA**  
**(COMMUNITY OVERCOMING RELATIONSHIP ABUSE)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 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.

**NOTE 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.

**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.

**CORA**  
**(COMMUNITY OVERCOMING RELATIONSHIP ABUSE)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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 at 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 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, 2021, 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 THE FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 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, 2020, from which the summarized information was derived.

**Subsequent Events** – Management has evaluated subsequent events through March 30, 2022, 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.

**CORA**  
**(COMMUNITY OVERCOMING RELATIONSHIP ABUSE)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Recent Accounting Pronouncements**

*ASU 2018-13 - Fair Value Measurement: Changes to Disclosure Requirements for Fair Value Measurement*

The purpose of this standard is to improve the effectiveness of disclosures about fair value measurements under ASC 820. Disclosure requirements including (1) transfers between Level 1 and Level 2 of the fair value hierarchy, (2) policy for timing of transfers between levels, (3) valuation processes for Level 3 measurements, and (4) changes in unrealized gains and losses for the period included for earnings for recurring Level 3 measurements. Additional disclosures are required for investments in certain entities that calculate net asset value such as timing of liquidation of an investee's assets and the date when restriction might relapse. Additional disclosures include disclosing changes in unrealized gains/losses for the period that are included in other comprehensive income for Level 3 measurements and the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements. The Organization adopted this accounting guidance for its June 30, 2021 year-end. There was no impact to the Organization's financial statements as a result of adopting this standard.

*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 an 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. The Organization adopted this accounting guidance for its June 30, 2021 year end. There was no impact to the Organization's financial statements as a result of adopting this standard.

**Future Accounting Pronouncements**

*ASU 2020-07 – Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)*

Under the new guidance, not-for-profit entities that receive contributed nonfinancial assets will be required to provide enhanced presentation and disclosures regarding the type and valuation of the receipts of nonfinancial assets. The requirements in the ASU require presentation of the receipt of nonfinancial assets as a separate line item in the statement of activities. The ASU also requires additional disclosures regarding qualitative information about the monetization or utilization of the nonfinancial assets, any donor-imposed restrictions on the use of the nonfinancial assets, and a description of the valuation techniques and inputs used to determine the fair value on the date the nonfinancial assets were received. The new requirements are effective for the Organization's June 30, 2022 year-end. Management has not yet determined the impact of this accounting standard on the Organization's operations or cash flows.

*ASU 2016-02 - Leases (Topic 842)*

Under the new guidance, a lessee will be required to recognize assets and liabilities for leases with a term of more than 12 months. Unlike current GAAP, which requires only capital leases to be recognized on the balance sheet, ASU No. 2016-02 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. The new requirements are effective for the Organization's June 30, 2023 year end. Management has not yet determined the impact of this accounting standard on the Organization's operations or cash flows.

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**NOTE 3: 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, 2021, 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	\$ 1,315,329
Grants, pledges, and accounts receivable	1,392,212
Investments	<u>3,088,902</u>
Total financial assets	5,796,443
Less: Non-current investments	3,088,902
Less: Donor restricted funds - time and purpose	<u>775,008</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,932,533</u>

**NOTE 4: PLEDGES RECEIVABLE**

Pledges receivable are recorded as support when pledged unless designated otherwise. All pledges are valued at the estimated fair present value as of June 30, 2021 and are deemed fully collectible. Accordingly, no allowance for uncollectible pledges has been recorded as of June 30, 2021. Discount on pledges receivable is immaterial; accordingly, unamortized discount on pledges receivable is not recorded. Pledges receivable of \$170,000 at June 30, 2021 are expected to be collected as follows:

Within one year	\$ 110,000
One to three years	<u>60,000</u>
	<u>\$ 170,000</u>

**NOTE 5: INVESTMENTS**

Investments as of June 30, 2021 consisted of the following:

Equities	\$ 1,776,666
Fixed Income	740,486
Cash held for reinvestment	260,503
Alternative investments	243,824
Real assets	<u>67,423</u>
	<u>\$ 3,088,902</u>

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**NOTE 6: FAIR VALUE MEASUREMENTS**

The table below presents the balances of assets measured at fair value as of June 30, 2021 on a recurring basis:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Fixed income:				
Government obligations	\$ -	\$ 211,441	\$ -	\$ 211,441
International mutual funds	265,591	-	-	265,591
Domestic mutual funds	97,766	-	-	97,766
International mutual funds	165,688	-	-	165,688
Equities:				
International equities	91,501	-	-	91,501
Domestic mutual funds	429,137	-	-	429,137
Information technology	287,819	-	-	287,819
International mutual funds	428,421	-	-	428,421
Health care	118,118	-	-	118,118
Financials	124,323	-	-	124,323
Consumer discretionary	134,207	-	-	134,207
Consumer staples	50,763	-	-	50,763
Industrials	63,573	-	-	63,573
Energy	31,256	-	-	31,256
Materials	17,548	-	-	17,548
Alternative investments:				
Alternative investment funds	243,824	-	-	243,824
Real Assets:				
Real assets funds	<u>67,423</u>	<u>-</u>	<u>-</u>	<u>67,423</u>
Total assets at fair value	<u>\$ 2,616,958</u>	<u>\$ 211,441</u>	<u>\$ -</u>	<u>\$ 2,828,399</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, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Donated materials and services	\$ -	\$ 81,681	\$ -	\$ 81,681
Total	<u>\$ -</u>	<u>\$ 81,681</u>	<u>\$ -</u>	<u>\$ 81,681</u>

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).

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**NOTE 7: PROPERTY AND EQUIPMENT**

Property and equipment as of June 30, 2021 consisted of the following:

Building	\$ 3,734,263
Land	1,571,690
Furniture and equipment	484,663
Research and development	49,474
Vehicles	59,847
Leasehold improvements	<u>\$ 11,779</u>
	5,911,716
Less: accumulated depreciation	<u>(1,940,413)</u>
Total property and equipment	<u>\$ 3,971,303</u>

Depreciation expense for the year ended June 30, 2021 was \$136,047.

**NOTE 8: 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 3.25%. The outstanding balance as of June 30, 2021 was \$700,000.

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**NOTE 9: NOTES PAYABLE**

Notes payable as of June 30, 2021 consist of the following:

Note payable to a financial institution, secured by real property, with 18 monthly consecutive principal and interest payments of \$7,964 each, beginning March 22, 2018, with interest calculated on the unpaid principal balance 4.00%; 48 monthly consecutive principal and interest payment of \$8,000 each beginning September 22, 2019 with interest rate of 5.25%; 233 monthly consecutive principal and interest payments of \$7,995 each beginning October 22, 2021 with interest rate of 4.25% on the loan amount of \$1,500,000.	\$ 1,348,950
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, 2021 is \$253,132. 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, 2021 is \$64,260. 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, 2021 is \$31,440. This interest has not been recorded on CORA's books.	131,000
Interest-free note payable (see Note 10) to the County of San Mateo, secured by real property, with no monthly payments (deferred), due October 2043.	37,498
Note payable to the City of San Mateo, secured by real property, with monthly payments of \$250, including interest at 5%, due September 2033.	23,362
Interest-free note payable (see Note 10) to the County of San Mateo, secured by real property, with no monthly payments, due December 2047.	<u>18,757</u>
Total notes payable	2,650,094
Less current portion	(975,269)
Total notes payable - less current portion	<u>\$ 1,674,825</u>

Annual principal payments to maturity as of June 30, 2021 are as follows:

2022	\$ 975,269
2023	42,896
2024	44,770
2025	46,727
2026	48,768
Thereafter	<u>1,594,171</u>
Face amount of note payments	2,752,601
Less: Unamortized discount	(102,507)
Present value of note payments	<u>\$ 2,650,094</u>



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**NOTE 10: 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.

**NOTE 11: 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 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, 2021. 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.

**NOTE 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, 2021, CORA's matching contributions of up to 3% of an employee's annual earnings were \$15,151.

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**NOTE 13: NET ASSETS**

Net assets without donor restrictions by time or purpose at June 30, 2021 consisted of the following:

Undesignated	\$ 1,383,195
Investment in property and equipment	<u>3,971,303</u>
Total net assets without donor restrictions	<u>\$ 5,354,498</u>

Net assets with donor restrictions by time or purpose at June 30, 2021 consisted of the following:

Time-restricted	\$ 170,000
Region - specific funding	11,130
Non-cash contribution	109,649
Mental health programs	205,631
Housing	105,500
Advocacy	112,898
Children's programs	10,200
Other	<u>50,000</u>
Total net assets with donor restrictions	<u>\$ 775,008</u>

For the year ended June 30, 2021, net assets released from restrictions were \$688,000 which consist of \$478,000 released from purpose restrictions and \$210,000 from time restrictions.