
CORA
(COMMUNITY OVERCOMING RELATIONSHIP ABUSE)

**FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORT
JUNE 30, 2022 AND 2021**

Mann, Urrutia, Nelson, CPAs & Associates, LLP
1760 Creekside Oaks Drive, Suite 160
Sacramento, California 95833

**CORA
(COMMUNITY OVERCOMING RELATIONSHIP ABUSE)**

**TABLE OF CONTENTS
JUNE 30, 2022 AND JUNE 30, 2021**

	<u>Page</u>
I. INDEPENDENT AUDITOR'S REPORT	1 - 2
II. FINANCIAL STATEMENTS	
Statements of Financial Position as of June 30, 2022, with comparative totals as of June 30, 2021	3
Statement of Activities for the year ended June 30, 2022, with comparative totals for the year ended June 30, 2021	4
Statement of Functional Expenses for the year ended June 30, 2022, with comparative totals for the year ended June 30, 2021	5
Statements of Cash Flows for the year ended June 30, 2022, with comparative totals for the year ended June 30, 2021	6
Notes to the Financial Statements	7 - 15



INDEPENDENT AUDITOR'S REPORT

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

Opinion

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, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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, 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CORA (Community Overcoming Relationship Abuse) and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CORA's (Community Overcoming Relationship Abuse) ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 CORA's (Community Overcoming Relationship Abuse) internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CORA's (Community Overcoming Relationship Abuse) ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited CORA's (Community Overcoming Relationship Abuse) June 30, 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 30, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, 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 29, 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 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 'M. H. N. CPA', is located below the text.

Sacramento, California
March 29, 2022

CORA
(COMMUNITY OVERCOMING RELATIONSHIP ABUSE)

STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2022
WITH COMPARATIVE TOTALS AS OF JUNE 30, 2021

	2022	2021 (Restated)
<u>ASSETS</u>		
Current Assets		
Cash and cash equivalents (Note 3)	\$ 950,558	\$ 1,315,329
Grants receivable	1,684,122	1,323,551
Pledges receivable	-	170,000
Accounts receivable	600	600
Investments (Note 4)	2,744,988	3,088,902
Prepaid expenses	<u>93,076</u>	<u>72,561</u>
Total Current Assets	<u>5,473,344</u>	<u>5,970,943</u>
Non-Current Assets		
Property and equipment, net of accumulated depreciation (Note 7)	<u>3,834,286</u>	<u>3,971,303</u>
Total Non-Current Assets	<u>3,834,286</u>	<u>3,971,303</u>
Total Assets	<u>\$ 9,307,630</u>	<u>\$ 9,942,246</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Accounts payable	\$ 53,812	\$ 116,448
Accrued wages	140,331	91,683
Accrued vacation	156,183	152,076
Client savings account	600	500
Deferred Revenue	59,765	-
Line of credit (Note 8)	200,000	700,000
Current portion of notes payable (Note 9)	<u>980,423</u>	<u>975,269</u>
Total Current Liabilities	<u>1,591,114</u>	<u>2,035,976</u>
Non-Current Liabilities		
Notes payable - less current portion (Note 9)	<u>1,629,301</u>	<u>1,674,825</u>
Total Non-Current Liabilities	<u>1,629,301</u>	<u>1,674,825</u>
Total Liabilities	<u>3,220,415</u>	<u>3,710,801</u>
Net Assets (Note 13)		
With donor restrictions	684,432	775,008
Without donor restrictions	<u>5,402,783</u>	<u>5,456,437</u>
Total Net Assets	<u>6,087,215</u>	<u>6,231,445</u>
Total Liabilities and Net Assets	<u>\$ 9,307,630</u>	<u>\$ 9,942,246</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, 2022
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>2021 (Restated)</u>
REVENUES				
Government grants	\$ 4,555,072	\$ -	\$ 4,555,072	\$ 4,370,207
Contributions	1,139,247	621,238	1,760,485	1,889,277
In-kind donations	6,819	-	6,819	81,681
Other income	15,379	-	15,379	4,746
Interest and investment (loss) income	(339,456)	-	(339,456)	577,337
Special event income	1,300	-	1,300	-
Net assets released from restrictions	<u>711,814</u>	<u>(711,814)</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>6,090,175</u>	<u>(90,576)</u>	<u>5,999,599</u>	<u>6,923,248</u>
EXPENSES				
Program services	3,785,496	-	3,785,496	4,258,604
Management and general	1,949,477	-	1,949,477	1,801,991
Fund development	<u>408,856</u>	<u>-</u>	<u>408,856</u>	<u>398,547</u>
Total Expenses	<u>6,143,829</u>	<u>-</u>	<u>6,143,829</u>	<u>6,459,142</u>
Change in Net Assets	(53,654)	(90,576)	(144,230)	464,106
Net Assets, Beginning of Year	<u>5,456,437</u>	<u>775,008</u>	<u>6,231,445</u>	<u>5,767,339</u>
Net Assets, End of Year	<u>\$ 5,402,783</u>	<u>\$ 684,432</u>	<u>\$ 6,087,215</u>	<u>\$ 6,231,445</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, 2022
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2021

	<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>Supporting Services</u>		<u>Totals</u>	
								<u>Management & General</u>	<u>Fund Development</u>	<u>Total 2022</u>	<u>Total 2021</u>
Salaries	\$ 683,009	\$ 663,769	\$ 427,114	\$ 402,052	\$ 88,423	\$ -	\$ -	\$ 614,708	\$ 270,191	\$ 3,149,266	\$ 2,701,129
Benefits	65,483	59,960	31,421	27,850	13,497	-	-	55,697	26,416	280,324	284,832
Payroll taxes	33,838	67,670	39,409	38,513	6,821	-	-	60,639	29,316	276,206	266,218
Total payroll costs	782,330	791,399	497,944	468,415	108,741	-	-	731,044	325,923	3,705,796	3,252,179
Professional fees	6,704	108,734	54,261	10,694	-	-	-	669,952	49,381	899,726	836,010
Rental assistance	581,674	-	-	7,800	-	-	-	-	-	589,474	1,064,053
Emergency housing	22,112	5,055	1,420	21,861	-	-	-	-	-	50,448	177,039
Other client assistance	70,554	9,937	3,697	6,933	-	-	-	-	-	91,121	-
Bad debt expense	-	18,834	-	-	-	-	-	3,523	-	22,357	80,103
In-kind expense	-	-	-	-	-	-	-	6,819	-	6,819	81,681
Depreciation	-	-	-	-	-	-	-	137,017	-	137,017	136,047
Office expense	41,712	22,270	3,706	1,200	436	-	-	108,043	6,335	183,702	240,899
Program supplies	3,654	586	340	254	103	-	-	66	1,554	6,557	61,595
Interest	-	-	-	-	-	-	-	82,903	-	82,903	93,625
Telephone	19,794	13,549	-	4,144	-	-	-	59,954	-	97,441	130,813
Utilities	22,186	278	1,100	-	-	-	-	38,160	-	61,724	58,660
Advertising	900	1,500	-	600	-	-	-	-	20,994	23,994	34,269
Insurance	-	-	-	-	-	-	-	40,394	-	40,394	18,722
Repairs & maintenance	32,972	-	270	-	-	-	-	3,047	-	36,289	19,704
Training	4,938	12,554	1,998	1,216	1,035	-	-	15,911	-	37,652	47,479
Printing	-	98	191	-	-	-	-	2,167	380	2,836	29,968
Meals	-	-	-	-	-	-	-	-	493	493	11,600
Travel	5,115	-	1,230	205	-	-	-	4,579	854	11,983	12,116
Dues & subscriptions	28	-	2,173	-	-	-	-	9,132	260	11,593	44,900
Program activities	-	1,000	-	-	-	-	-	-	-	1,000	1,314
Bank charges	-	-	-	-	-	-	-	11,150	209	11,359	9,533
Postage	31	-	33	-	-	-	-	1,883	482	2,429	2,486
Events	-	200	-	-	-	-	-	-	1,967	2,167	1,544
Miscellaneous	1,485	-	-	1,313	-	-	-	23,733	24	26,555	12,803
TOTAL EXPENSES	\$ 1,596,189	\$ 985,994	\$ 568,363	\$ 524,635	\$ 110,315	\$ -	\$ -	\$ 1,949,477	\$ 408,856	\$ 6,143,829	\$ 6,459,142

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

CORA
(COMMUNITY OVERCOMING RELATIONSHIP ABUSE)

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2021

	2022	2021 (Restated)
<u>Cash Flows from Operating Activities</u>		
Change in net assets	\$ (144,230)	\$ 464,106
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	137,017	136,047
Adjustment to net present value of notes payable	-	4,730
Net realized and unrealized (gain) loss	339,456	(577,337)
Decrease (Increase) in:		
Grants receivable	(360,571)	(175,405)
Pledges receivable	170,000	226,897
Accounts receivable	-	(600)
Prepaid expenses	(20,515)	22,416
Deposits	-	54,215
Increase (Decrease) in:		
Accounts payable	(62,636)	(75,914)
Accrued wages	48,648	26,216
Accrued vacation	4,107	17,783
Client savings account	100	-
Deferred revenue	59,765	-
	<u>171,141</u>	<u>123,154</u>
<u>Cash Flows from Investing Activities</u>		
Proceeds from sale of marketable securities	4,458	75,000
Purchase of property and equipment	-	(32,670)
	<u>4,458</u>	<u>42,330</u>
<u>Cash Flows from Financing Activities</u>		
Borrowing on line of credit	-	700,000
Payment on line of credit	(500,000)	-
Payments on notes payable	(40,370)	(36,784)
	<u>(540,370)</u>	<u>663,216</u>
Net (Decrease) Increase in Cash and Cash Equivalents	<u>(364,771)</u>	<u>828,700</u>
Cash and Cash Equivalents, Beginning of Year	<u>1,315,329</u>	<u>486,629</u>
Cash and Cash Equivalents, End of Year	<u>\$ 950,558</u>	<u>\$ 1,315,329</u>

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

CORA
(COMMUNITY OVERCOMING RELATIONSHIP ABUSE)
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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, 2022 AND 2021

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, 2022, 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, 2022 AND 2021

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, 2021, from which the summarized information was derived.

Subsequent Events – Management has evaluated subsequent events through March 29, 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, 2022 AND 2021

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent 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 Organization adopted this new accounting guidance for its June 30, 2022 year-end. There was no impact to the Organization's financial statements as a result of adopting this standard.

Future Accounting Pronouncements

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.

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 reports to the full CORA Board at every board meeting, assess risk, and makes 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, 2022, the following financial assets could readily be made available within one year of the Statement of Financial Position date to meet general expenditures:

Cash and cash equivalents	\$ 950,558
Grants, pledges, and accounts receivable	1,684,722
Investments	<u>2,744,988</u>
Total financial assets	5,380,268
Less: Donor restricted funds - time and purpose	<u>684,432</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 4,695,836</u>

CORA
(COMMUNITY OVERCOMING RELATIONSHIP ABUSE)
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 4: INVESTMENTS

Investments as of June 30, 2022 consisted of the following:

Equities	\$ 1,477,362
Fixed Income	613,183
Money market	390,310
Alternative investments	206,593
Real assets	<u>57,540</u>
	<u>\$ 2,744,988</u>

NOTE 5: FAIR VALUE MEASUREMENTS

The table below presents the balances of assets measured at fair value as of June 30, 2022 on a recurring basis:

	Level 1	Level 2	Level 3	Total
Fixed income:				
Government obligations	\$ -	\$ 185,220	\$ -	\$ 185,220
International mutual funds	219,563	-	-	219,563
Domestic mutual funds	81,971	-	-	81,971
International mutual funds	126,429	-	-	126,429
Equities:				
International equities	60,095	-	-	60,095
Domestic mutual funds	450,811	-	-	450,811
Information technology	213,376	-	-	213,376
International mutual funds	324,296	-	-	324,296
Health care	122,633	-	-	122,633
Financials	94,156	-	-	94,156
Consumer discretionary	92,018	-	-	92,018
Consumer staples	43,040	-	-	43,040
Industrials	31,309	-	-	31,309
Energy	38,248	-	-	38,248
Materials	7,380	-	-	7,380
Alternative investments:				
Alternative investment funds	206,593	-	-	206,593
Real Assets:				
Real assets funds	<u>57,540</u>	<u>-</u>	<u>-</u>	<u>57,540</u>
Total assets at fair value	<u>\$ 2,169,458</u>	<u>\$ 185,220</u>	<u>\$ -</u>	<u>\$ 2,354,678</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).

CORA
(COMMUNITY OVERCOMING RELATIONSHIP ABUSE)
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 6: IN-KIND CONTRIBUTIONS

CORA receives donated services from various individuals to assist with operations. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise not be performed by the organization. CORA recognizes in-kind contribution revenue and a corresponding expense in an amount approximating the estimated fair value of labor at the time of the services. In-kind services valued at \$6,819 have been recognized in the accompanying statement of activities for the year ended June 30, 2022.

NOTE 7: PROPERTY AND EQUIPMENT

Property and equipment as of June 30, 2022 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>(2,077,430)</u>
Total property and equipment	<u><u>\$ 3,834,286</u></u>

Depreciation expense for the year ended June 30, 2022 was \$137,017.

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 line of credit is secured by one of CORA's buildings. The outstanding balance as of June 30, 2022 was \$200,000. The line of credit is scheduled to mature in April 22, 2023.

**CORA
(COMMUNITY OVERCOMING RELATIONSHIP ABUSE)
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

NOTE 9: NOTES PAYABLE

Notes payable as of June 30, 2022 consisted 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.	\$ 1,309,337
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 March 2024. 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, 2022 is \$281,258. 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, 2022 is \$68,850. 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, 2022 is \$35,370. 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.	21,763
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>19,599</u>
Total notes payable	2,609,724
Less current portion	<u>(980,423)</u>
Total notes payable - less current portion	<u>\$ 1,629,301</u>

Annual principal payments to maturity as of June 30, 2022 are as follows:

2023	\$ 980,423
2024	44,770
2025	46,727
2026	48,768
2027	50,900
Thereafter	<u>1,539,801</u>
Face amount of note payments	2,711,389
Less: Unamortized discount	<u>(101,665)</u>
Present value of note payments	<u>\$ 2,609,724</u>

CORA
(COMMUNITY OVERCOMING RELATIONSHIP ABUSE)
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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, 2022. 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, 2022, CORA's matching contributions of up to 3% of an employee's annual earnings were \$29,429.

CORA
(COMMUNITY OVERCOMING RELATIONSHIP ABUSE)
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 13: NET ASSETS

Net assets without donor restrictions by time or purpose at June 30, 2022 consisted of the following:

Undesignated	\$ 1,568,497
Investment in property and equipment	<u>3,834,286</u>
Total net assets without donor restrictions	<u>\$ 5,402,783</u>

Net assets with donor restrictions by time or purpose at June 30, 2022 consisted of the following:

Crisis	\$ 177,916
Non-cash contribution	109,649
Mental health programs	100,833
Housing	218,415
Other	<u>77,619</u>
Total net assets with donor restrictions	<u>\$ 684,432</u>

For the year ended June 30, 2022, net assets released from restrictions were \$711,814 which consisted of \$541,814 released from purpose restrictions and \$170,000 from time restrictions.

NOTE 14: PRIOR PERIOD RESTATEMENT

During the fiscal year ending June 30, 2022, management performed a full review of their previous grant billings. The review resulted in additional back billings in the amount \$101,939. This required additional grant revenue and the corresponding grant receivable to be recognized as of June 30, 2021.

The effect of the restatement on the change in net assets without donor restrictions and financial position as of and for the year ended June 30, 2021 was as follows.

	<u>As previously reported</u>		<u>Corrections</u>		<u>Restated</u>
Grants receivable	\$ 1,221,612	\$	101,939	\$	1,323,551
Total Assets	9,840,307		101,939		9,942,246
Total Net Assets	6,129,506		101,939		6,231,445
Grant Revenue	4,268,268		101,939		4,370,207
Total Revenue	6,821,309		101,939		6,923,248
Change in Net Assets	362,167		101,939		464,106