

**COMMUNITY OVERCOMING RELATIONSHIP ABUSE
(A NONPROFIT PUBLIC BENEFIT CORPORATION)**

**REPORT ON AUDIT OF FINANCIAL STATEMENTS
AND ADDITIONAL INFORMATION**

YEAR ENDED JUNE 30, 2012

**(WITH SUMMARIZED FINANCIAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2011)**

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Patricia A. Wintroath, CPA

Independent Auditor's Report

January 16, 2013

Board of Directors
Community Overcoming Relationship Abuse
Burlingame, California

I have audited the accompanying statement of financial position of Community Overcoming Relationship Abuse as of June 30, 2012, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of Community Overcoming Relationship Abuse's management. My responsibility is to express an opinion on these financial statements based on my audit. The prior year summarized comparative information has been derived from the Organization's June 30, 2011 financial statements and, in my report dated December 30, 2011, I expressed an unqualified opinion on those financial statements.

I conducted my audit in accordance with generally accepted auditing standards 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Overcoming Relationship Abuse as of June 30, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued my report dated January 16, 2013 on my consideration of Community Overcoming Relationship Abuse's internal control over financial reporting and my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

My audit was performed for the purpose of forming an opinion on the basic financial statements of Community Overcoming Relationship Abuse taken as a whole. The accompanying schedule of expenditures of federal awards is presented on page 16 and the additional information is presented on pages 15 - 17 for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Patricia A. Wintroath, CPA

Patricia A. Wintroath, CPA

COMMUNITY OVERCOMING RELATIONSHIP ABUSE

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2012

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2011)

	Unrestricted			Total All Funds	
	General	Property and Equipment	Temporarily Restricted	2012	2011
ASSETS					
CURRENT ASSETS:					
Cash and cash equivalents	\$305,172	\$	\$210,749	\$515,921	\$443,789
Grants receivable (Note C)	565,825	899,900	75,000	1,540,725	680,276
Accounts and pledges receivable	40,134			40,134	61,208
Prepaid expenses	46,802		13,145	59,947	74,941
TOTAL CURRENT ASSETS	957,933	899,900	298,894	2,156,727	1,260,214
INVESTMENTS (Note D)	1,919,035			1,919,035	2,041,700
PROPERTY AND EQUIPMENT, net of accumulated depreciation and amortization at June 30, 2012 and 2011 of \$703,585 and \$630,549, respectively. (Note E)		901,102		901,102	962,751
DEPOSITS	47,002			47,002	20,005
TOTAL ASSETS	<u>\$2,923,970</u>	<u>\$1,801,002</u>	<u>\$298,894</u>	<u>\$5,023,866</u>	<u>\$4,284,670</u>
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES:					
Accounts payable and accrued expenses	\$25,541	\$	\$	\$25,541	\$50,497
Accrued wages	62,633			62,633	67,655
Accrued vacations	67,031			67,031	60,447
Line of credit (Note F)				0	0
Client savings account			17,509	17,509	18,276
Current portion of long term debt (Note G)		17,725		17,725	1,151
TOTAL CURRENT LIABILITIES	155,205	17,725	17,509	190,439	198,026
LONG TERM DEBT (Note G)		1,533,558		1,533,558	549,797
COMMITMENTS AND CONTINGENCIES (Note I)					
NET ASSETS (Notes B & I)	<u>2,768,765</u>	<u>249,719</u>	<u>281,385</u>	<u>3,299,869</u>	<u>3,536,847</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$2,923,970</u>	<u>\$1,801,002</u>	<u>\$298,894</u>	<u>\$5,023,866</u>	<u>\$4,284,670</u>

See Notes to Financial Statements

COMMUNITY OVERCOMING RELATIONSHIP ABUSE
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2012
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2011)

	Unrestricted		Temporarily Restricted	Total All Funds	
	General	Property and Equipment		2012	2011
SUPPORT AND REVENUE					
Support:					
Foundations	\$231,461	\$	\$212,078	\$443,539	\$561,500
Organizations	22,211		4,215	26,426	44,470
Individual donations	172,027		105,702	277,729	282,371
In-kind donations (Note B)	176,387			176,387	187,798
Total Support	602,086	0	321,995	924,081	1,076,139
Revenue:					
Government	704,592		1,010,847	1,715,439	1,698,110
Court ordered clients	19,685			19,685	28,082
Fees for service	3,170			3,170	1,520
Other revenue	29,822			29,822	22,537
Investment income	25,365			25,365	23,384
Special events	122,770			122,770	123,033
Total Revenue	905,404	0	1,010,847	1,916,251	1,896,666
Net Assets Released From Restrictions	1,599,541	(162,084)	(1,437,457)	0	0
TOTAL SUPPORT AND REVENUE	3,107,031	(162,084)	(104,615)	2,840,332	2,972,805
EXPENSES					
Program					
Client Services/Emergency Response Program	451,520			451,520	535,723
Clinical	308,644			308,644	270,463
Community Education	57,582			57,582	37,000
Legal Services	311,053			311,053	227,264
Housing	1,193,932			1,193,932	1,149,908
Volunteer Program	75,869			75,869	51,962
Total program expenses	2,398,600			2,398,600	2,272,320
Support					
Management and General	294,493			294,493	341,547
Fundraising	349,623			349,623	386,095
Total support expenses	644,116			644,116	727,642
TOTAL EXPENSES	3,042,716	0	0	3,042,716	2,999,962
CHANGE IN NET ASSETS FROM OPERATIONS	64,315	(162,084)	(104,615)	(202,384)	(27,157)
NONOPERATING GAINS (LOSSES):					
Unrealized gain (loss) on investments	(41,801)			(41,801)	265,142
Realized gain (loss) on investments	7,207			7,207	74,553
TOTAL NONOPERATING GAINS (LOSSES)	(34,594)	0	0	(34,594)	339,695
CHANGE IN NET ASSETS	29,721	(162,084)	(104,615)	(236,978)	312,538
NET ASSETS, beginning of year	2,739,044	411,803	386,000	3,536,847	3,224,309
NET ASSETS, end of year (Notes B & I)	\$2,768,765	\$249,719	\$281,385	\$3,299,869	\$3,536,847

See Notes to Financial Statements

COMMUNITY OVERCOMING RELATIONSHIP ABUSE
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2012
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2011)

	Client Services/ ERP	Community Education	Clinical	Legal Services	Housing * Program	Volunteer Program	Total Program	Management and General	Fundraising	Total Support	Total All Funds	
											2012	2011
Salaries	\$283,814	\$27,965	\$157,851	\$178,635	\$503,898	\$27,963	\$1,180,126	\$177,754	\$129,345	\$307,099	\$1,487,225	\$1,394,536
Payroll taxes	24,537	2,428	13,626	15,470	43,636	2,428	102,125	15,336	11,081	26,417	128,542	117,183
Employee benefits	42,228	4,121	21,131	27,311	66,042	4,121	164,954	32,084	18,658	50,742	215,696	199,503
Total personnel expenses	350,579	34,514	192,608	221,416	613,576	34,512	1,447,205	225,174	159,084	384,258	1,831,463	1,711,222
Travel	973	231	1,416	2,103	10,044	231	14,998	939	936	1,875	16,873	24,808
Training and education	2,092	343	5,008	7,222	7,692	1,213	23,570	2,815	1,636	4,451	28,021	28,974
Meals and entertainment	146	13	58	379	835	75	1,506	10,289	1,971	12,260	13,766	9,745
Rent	38,644	3,225	14,543	18,472	185,342	3,225	263,451	15,950	11,142	27,092	290,543	271,915
Utilities					18,426		18,426			0	18,426	13,228
Emergency lodging					8,391		8,391			0	8,391	7,654
Repairs and maintenance					17,513		17,513			0	17,513	21,566
Office expense	6,354	647	2,807	4,276	12,088	658	26,830	4,195	5,420	9,615	36,445	48,088
Telephone	9,630	278	1,784	3,367	12,674	278	28,011	1,268	730	1,998	30,009	28,923
Postage	527	44	198	252	1,290	44	2,355	362	1,556	1,918	4,273	5,434
Printing	1,802	89	366	538	1,482	89	4,366	568	5,419	5,987	10,353	14,062
Program activities		252			1,901	1,456	3,609		250	250	3,859	3,323
Program supplies		5,696	230		12,232	(29)	18,129	25	879	904	19,033	22,829
Bank charges							0	205	2,370	2,575	2,575	1,209
Insurance	3,154	263	1,187	2,743	7,611	555	15,513	1,294	909	2,203	17,716	18,196
Taxes					1,619		1,619	310		310	1,929	1,178
Interest expense					3,335		3,335	(621)		(621)	2,714	3,407
Dues and subscriptions	168	113		1,329	82	113	1,805	3,019	427	3,446	5,251	4,522
Advertising and promotion	375				150		525	250	1,750	2,000	2,525	1,950
Professional fees	19,299	1,374	59,446	7,870	47,329	1,374	136,692	24,279	111,184	135,463	272,155	205,288
Other fees				866	108		974	458	20	478	1,452	872
Depreciation	4,286	309	1,395	1,772	60,503	309	68,574	3,393	1,069	4,462	73,036	71,311
Special event expenses							0	29	42,800	42,829	42,829	62,027
Client assistance					114,729		114,729			0	114,729	230,433
Miscellaneous expenses					87		87	292	71	363	450	0
Donated materials	5,987			1,962	52,910		60,859			0	60,859	95,413
Donated services	7,504	10,191	27,598	36,486	1,983	31,766	115,528			0	115,528	92,385
Total expenses	\$451,520	\$57,582	\$308,644	\$311,053	\$1,193,932	\$75,869	\$2,398,600	\$294,493	\$349,623	\$644,116	\$3,042,716	\$2,999,962

* Housing program includes Emergency Shelter and Transitional Housing Programs

See Notes to Financial Statements

COMMUNITY OVERCOMING RELATIONSHIP ABUSE

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2012

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2011)

	Unrestricted		Temporarily Restricted	Total All Funds	
	General	Property and Equipment		2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES:					
Change in Net Assets	\$29,721	(\$162,084)	(\$104,615)	(\$236,978)	\$312,538
Adjustment to reconcile change in net assets to cash provided (used) by operating activities:					
Depreciation		73,036		73,036	71,311
	29,721	(89,048)	(104,615)	(163,942)	383,849
CHANGES IN CURRENT ASSETS AND CURRENT LIABILITIES					
(Increase) decrease in grants receivable	19,451	(899,900)	20,000	(860,449)	(63,388)
(Increase) decrease in accounts and pledges receivable	21,074			21,074	(29,471)
(Increase) decrease in prepaid expenses	368		14,626	14,994	(24,634)
(Increase) decrease in deposits	(26,997)			(26,997)	0
Increase (decrease) in accounts payable and accrued expenses	(24,956)			(24,956)	(29,782)
Increase (decrease) in accrued wages	(5,022)			(5,022)	26,360
Increase (decrease) in accrued vacations	6,584			6,584	8,617
Increase (decrease) in client savings account			(767)	(767)	5,657
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	20,223	(988,948)	(70,756)	(1,039,481)	277,208
CASH FLOWS FROM INVESTING ACTIVITIES:					
Sale (Purchase) of securities	157,258			157,258	(673,808)
Unrealized gain (loss) on investments	(41,800)			(41,800)	265,142
Realized gain (loss) on investments	7,207			7,207	74,553
(Gain) Loss on disposal of equipment				0	0
Equipment and property purchases		(11,387)		(11,387)	(52,435)
Equipment and property donations				0	0
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	122,665	(11,387)	0	111,278	(386,548)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Borrowing on long term loan		1,001,500		1,001,500	1,500
Borrowing on line of credit					
Repayments on loans/ Line of credit		(1,165)		(1,165)	(1,093)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	0	1,000,335	0	1,000,335	407
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	142,888	0	(70,756)	72,132	(108,933)
CASH AND CASH EQUIVALENTS, beginning of year	162,284	0	281,505	443,789	552,722
CASH AND CASH EQUIVALENTS, end of year	\$305,172	\$0	\$210,749	\$515,921	\$443,789
SUPPLEMENTAL INFORMATION:					
Interest paid				\$2,714	\$1,907

See Notes to Financial Statements

COMMUNITY OVERCOMING RELATIONSHIP ABUSE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

NOTE A - ORGANIZATION

General – Community Overcoming Relationship Abuse (CORA (the Organization) is a California nonprofit public benefit corporation incorporated on November 22, 1977. The Organization was previously known as the Center for Domestic Violence Prevention/Sor Juana Ines. The Organization's primary mission is to end domestic violence/abuse in the individual lives of women in San Mateo County, California, through intervention and prevention. A board of Directors comprising of sixteen members governs the Organization.

In September 2002, the Sor Juana Ines Services for Abused Women's board of Directors approved a plan to dissolve and then merge into the Center for Domestic Violence Prevention. During January 2003, the Organization moved into the facilities of the Center for Domestic Violence Prevention and began sharing expenses. The dissolution of Sor Juana Ines Services for Abused Women was completed September 17, 2003.

In furtherance of its purpose, the Organization provides the following basic services for victims of domestic violence and their children:

- a) Emergency shelter, including moteling, on a twenty-four hours a day, seven days a week basis;
- b) Twenty-four hours a day, seven days a week support line and emergency response to law enforcement calls;
- c) Transitional housing and support services;
- d) Psychological support and peer counseling;
- e) Legal assistance and representation so that domestic violence victims can obtain restraining orders, and a legal information line to answer domestic violence related legal questions;
- f) 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 to teens and adults, including underserved communities (e.g. Latino, Filipino, etc.).

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Reporting - The Organization maintains its accounting records on the accrual basis of accounting.

To ensure observance of limitations and restrictions placed on the use of resources available to the Organization, the accounts of the Organization are maintained in

COMMUNITY OVERCOMING RELATIONSHIP ABUSE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

accordance with the principles of fund accounting. Fund accounting is the procedure by which resources for the various programs are classified for accounting and reporting according to the activities and objectives specified by donors, grantors, officials and governing boards. Separate accounts are maintained for each program.

Estimates - In preparing financial statements in conformity with Generally Accepted Accounting Principles, management must make estimates based on future events that affect the reported amounts of assets and liabilities; the disclosure of contingent assets and liabilities as of the date of the financial statements; and revenues and expenses during the reporting period. Actual results could differ from these estimates.

Cash and Cash Equivalents - The Organization's cash and cash equivalents balance consists of amounts held in checking and savings accounts in large financial institutions.

Property and Equipment - Furniture and equipment are stated at cost. Donated equipment is recorded at its estimated fair market value. Expenditures for property and equipment are capitalized. The capitalization policy of the Organization is to capitalize fixed assets on invoices greater than \$1,000 with unit costs of more than \$500. Depreciation for property and equipment is calculated using the straight-line method over the useful life of each asset. The useful life of these assets ranges from three to forty years. When assets are retired or sold, the related cost and accumulated depreciation are removed from the accounts and any gain or loss arising from such disposition is included as revenue or expense. Expenditures for repairs and maintenance are charged to expense as incurred.

Donated materials and Services - Donated materials recorded at their fair value at the date of donation. In addition, a substantial number of individuals have donated significant amounts of their time to the Organization, primarily through program activities. These services are reflected in the accompanying financial statements using a valuation of the services based on an estimate of the fair value at the time of the donation. Donated services by individuals providing administration services are not recorded as donated services as there are no special skills required for these services. During the year ended June 30, 2012, the organization received approximately 4,000 hours of volunteer services.

Functional Allocation of Expenses - Costs of providing the various programs have been summarized on a functional basis in the accompanying statement of functional expenses.

COMMUNITY OVERCOMING RELATIONSHIP ABUSE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes - The Organization is a Section 501(c)(3) organization exempt from income taxes under Section 501(a) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. There was no taxable unrelated business income during the year ended June 30, 2012.

Contributions and Grant Revenue - The Organization receives contributions and grants from corporations, foundations, charitable organizations and individuals. The Organization has adopted the provisions of Accounting Standards Codification FASB ASC 958-605 and FASB ASC-958-210-45(formerly Standards (SFAS) No. 116, "Accounting for Contributions Received and Contributions Made", and 117, "Financial Statements for Not-for-Profit Organizations.")

The provisions of FASB ASC 958-605-25 require the Organization to recognize contributions and grants as either temporarily or permanently restricted support, if they are received with donor stipulations that limit the use of the contribution or grant. When a temporary restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

All other contributions are recognized upon receipt. Performance revenue is recognized as earned. Amounts received but not yet earned are reported as deferred revenue.

Other support and revenue, such as interest income, proceeds from fund-raising, and expenses, are accounted for using the accrual method. Government contracts include federal pass-through funds, which are identified in the Schedule of Expenditures of Federal Awards.

Financial Statement Presentation - Under Accounting Standards Codification (FASB ASC 958-210-45 (formerly Statement of Financial Accounting Standard (SFAS) No. 117, "Financial Statements of Not-For-Profit Organizations"), the Organization is required to report information regarding their financial position and activities according to three classes of net assets: unrestricted and temporarily restricted and permanently net assets. CORA currently has no assets that are permanently restricted.

Summarized Financial Information for 2011 - The financial information for the year ended June 30, 2011, presented for comparative purposes, and is not intended to be a complete financial statement presentation.

COMMUNITY OVERCOMING RELATIONSHIP ABUSE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reclassifications - Certain reclassifications have been made in the 2011 comparative totals to conform to the classifications used in 2012.

NOTE C – GRANTS RECEIVABLE

Grants receivable consisted of the following amounts at June 30, 2012:

City of San Mateo - RDA	\$ 4,156
County of San Mateo - CCAT	15,000
County of San Mateo – CDBG Shelter	30,000
County of San Mateo - HSA Child & Family Services	15,000
County of San Mateo - PBA	4,850
County of San Mateo - Probation Trust	12,579
California Emergency Management Agency - DVAP	149,012
U.S. Department of Housing and Urban Development	238,949
U.S. Department of Justice – OVW Legal Assistance for Victims	23,627
U.S. Department of Justice OVW Transitional Housing	18,496
U.S. Department of Justice OVW Community Defined Solutions	29,156
North American Title - HCD Loan Proceeds	899,900
Kaiser Foundation	35,000
Sandhill Foundation	25,000
Sequoia Healthcare District	<u>40,000</u>
Total Grants Receivable	<u>\$1,540,725</u>

The organization does not believe that an allowance for doubtful accounts is required for any of the grant receivable as of June 30, 2012.

NOTE D – INVESTMENTS

Investments for the year ended June 30, 2012, consisted of the following:

<u>Type</u>	<u>Cost Basis</u>	<u>Fair Market Value</u>	<u>Unrealized Gain/(Loss)</u>
Stocks & Mutual Funds	\$1,064,180	\$1,259,866	\$195,686
Corporate Obligations	376,404	401,104	24,700
Real Estate Asset Funds	95,000	101,951	6,951
Government Obligations	<u>152,145</u>	<u>156,114</u>	<u>3,969</u>
Total	<u>\$1,687,729</u>	<u>\$1,919,035</u>	<u>\$231,306</u>

The principal balance of these investments has been designated by the Board of Directors as an Endowment Fund.

COMMUNITY OVERCOMING RELATIONSHIP ABUSE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

NOTE E – PROPERTY AND EQUIPMENT

Property and Equipment as of June 30, 2012, consisted of the following:

Building and Improvements	\$1,206,469
Land	34,640
Shelter Furniture and equipment	117,184
Office Furniture and equipment	216,994
Vehicle	<u>29,400</u>
	1,604,687
Less: Accumulated Depreciation	<u>703,585</u>
	<u>\$ 901,102</u>

Depreciation and amortization expense for the years ended June 30, 2012 and 2011 was \$73,036 and \$71,311, respectively.

NOTE F – LINE OF CREDIT

The Organization holds a line of credit with Wells Fargo Bank with a maximum borrowing limit of \$500,000. At June 30, 2012, the interest rate on the line was Prime plus 1.00%, for a resulting rate of 5%. The outstanding balance at June 30, 2012 was \$0.

NOTE G – LONG TERM DEBT

The long term debt of the organization consisted of the following loans at June 30, 2012. The loans below have been categorized as payable, and forgivable based on the terms of each loan.

Payable Loans:

In July 1993, CORA borrowed \$50,000 from the City of San Mateo to renovate and install fire alarm and security systems in the Shelter. The note bears interest at 5%. Payments on the note are deferred for 20 years. The note is due and payable on September 1, 2013, and is secured by a Deed of Trust on the land and building. The Organization has chosen to prepay the City of San Mateo with monthly installments of \$250, beginning September 1, 1993. 36,268

In July 1993 CORA borrowed \$50,000 from the County of San Mateo to renovate and install fire alarm and security systems in the Shelter. Payments on the note are deferred for 20 years. The note was restructured

COMMUNITY OVERCOMING RELATIONSHIP ABUSE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

NOTE G – LONG TERM DEBT (Continued)

in 2010 to bear 3% simple interest and is payable in full in 2013. The accrued interest through June 30, 2012 is \$28,500. \$ 78,500

On July 1, 2006, CORA entered into an agreement, with the City of San Mateo, to borrow \$145,000 to renovate the Shelter to include Disabled Access. The note bears interest at 3%. Payments on the note are deferred for 20 years. The note is due on July 1, 2026 and is secured by a Deed of Trust on the land and building. The accrued interest through June 30, 2012 is \$26,095. This interest has not been entered on the books of the Organization. 145,000

In June 2006, CORA entered into an agreement, with the County of San Mateo, to borrow \$200,000 for rehabilitation of the Shelter. The note bears interest at 3% simple interest. Payments on the note are deferred for 30 years. The note is due on June 1, 2036. The accrued interest through June 30, 2012 is \$36,477. This interest has not been entered on the books of the Organization. 200,000

On July 1, 2008, CORA entered into an agreement, with the County of San Mateo, to borrow \$75,000 for rehabilitation of the Shelter. The note bears interest at 3% simple interest. Payments on the note are deferred for 20 years. The note is due on July 1, 2028. The accrued interest through June 30, 2012 is \$8,994. This interest has not been entered on the books of the Organization. 75,000

On December 18, 2009, CORA entered into an agreement With 1633 Bayshore Associates, LLC to reduce the size of the space rented for the administration offices. As a result of this Agreement, CORA became liable to repay the landlord for previously incurred rent expenses. A note in the amount of \$16,515 was drawn with an interest rate of 8% due on February 1, 2013. The note and all accrued interest will be forgiven if CORA is not in default or breach of obligation under the current rent agreement as of February 1, 2013. The accrued interest through June 30, 2012 is \$3,345. 16,515

On April 26, 2012, CORA entered into an agreement with The California Department of Housing and Community Development, to borrow \$1,000,000 for the acquisition and

COMMUNITY OVERCOMING RELATIONSHIP ABUSE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

NOTE G – LONG TERM DEBT (Continued)

Rehabilitation of an emergency shelter in Redwood City. The note bears interest at 3% simple interest. Payments on the note are deferred for 10 years from the date the Notice of Occupancy is issued. The loan will be forgiven upon completion of the original loan term as long as the property has been used as an emergency shelter during the entire loan term. As of June 30, 2012, the project was still in the acquisition of property stage and the loan term had not yet begun.

	<u>1,000,000</u>
	\$1,551,283
Less current portion	<u>17,725</u>
	<u>\$1,420,000</u>

Aggregate maturities on long-term debt for each of the next five years and subsequent periods are as follows:

Year Ended June 30,	
2013	\$ 17,725
2014	1,272
2015	1,337
2016	1,405
2017	1,477
Subsequent	<u>1,528,067</u>
	<u>\$1,551,283</u>

Forgivable Loans:

A loan from the City of San Mateo, in the amount of \$25,000, was received December 1, 1980. This loan was used to make renovations to the Shelter. The note is due when the property is sold or transferred and secured by a Deed of Trust on the land and building. The note does not bear interest. The Organization has no intention of selling or transferring the property and, therefore, the liability has not been recorded in the books.

The Organization deems the default of any of the above notes due to unallowed operations remote since the use of the Transitional House and Shelter House properties facilitates the mission of the Organization.

COMMUNITY OVERCOMING RELATIONSHIP ABUSE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

NOTE H - COMMITMENTS AND CONTINGENCIES

The Organization leases office space from 1633 Bayshore Associates, LLC. The space was expanded in September 2008, for a base monthly rent of \$12,670, with an increase of 3.343% per month for the second year, through January 31, 2010. As of December 31, 2009, the additional space was no longer being leased by the Organization. A new lease for a smaller amount of space was entered into in December 2009, which extends the lease through January 31, 2013. The increase in the base monthly rent will occur on February 1 of each year. The lease expense for the years ended June 30, 2012 and 2011 was \$145,373 and \$137,747, respectively.

The organization rented storage space from U-Stor-It on a month to month basis. The rent expense for the years ended June 30, 2012 and 2011 was \$1,210 and \$1,320, respectively.

The organization rented storage space from Security Public Storage on a month to month basis. The rent expense for the years ended June 30, 2012 and 2011 was \$1,750 and \$2,033, respectively.

The organization rents storage space from Public Storage on a month to month basis. The rent expense for the years ended June 30, 2012 and 2011 was \$135 and \$0, respectively.

The following is a schedule, by year, of future minimum rentals under the leases at June 30, 2012:

<u>Year</u>	<u>Amount</u>
2013	\$91,576

Grant awards require the fulfillment of certain conditions as set forth in the instruments of grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. The Organization deems this contingency remote since by accepting the grants and their terms it has accommodated the objectives of the organization to the provisions of the grant. Management is of the opinion that the organization has complied with the terms of all grants.

The Organization receives a substantial amount of its support from the State of California, and the County of San Mateo. The Organization's programs and activities are dependent upon the availability of these funds. A significant reduction in the level of government support may impact the ability of the Organization to remain a going concern. The amount that would be considered a significant reduction in funding from government agencies cannot be determined as of the financial statement date.

The Organization has instructed its independent auditors to audit the cost related to U.S. government funds to ensure compliance with Circular A-133 issued by the U.S. Office of Management and Budget for the year ended June 30, 2012. Management

COMMUNITY OVERCOMING RELATIONSHIP ABUSE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

NOTE H - COMMITMENTS AND CONTINGENCIES (Continued)

believes that matters arising from governmental agencies' review of the independent auditors' reports for the year ended June 30, 2012 will not have a material effect on the financial position of the organization.

NOTE I – NET ASSETS

At June 30, 2012, the Organization's temporarily restricted net assets consisted of the following grants:

Altos Foundation	\$ 9,750
Atkinson Foundation	5,000
Grove Foundation	75,000
Hurlbut-Johnson Fund	10,000
Kaiser Permanente	35,000
The David and Lucile Packard Foundation	25,000
Mill Peninsula Foundation	7,500
Palo Alto Community Fund	5,714
San Francisco Foundation	11,667
Sequoia Healthcare District	80,000
Sobrato Foundation	2,158
van Loben Sels/RembeRock Foundation	5,833
Yahoo Employee Foundation	<u>8,763</u>
Total Temporarily Restricted Net Assets	<u>\$281,385</u>

NOTE J - CONCENTRATION OF CREDIT RISK

The financial instruments, which potentially subject the Organization to concentrations of credit risk, consist principally of cash and temporary cash investments. The cash balance held at financial institutions was in excess of federally insured limits. The balance of the cash account in excess of the federally insured limits at June 30, 2012 was \$100,407. The Organization has a cash account with a brokerage firm. This cash account is not federally insured. The balance of the cash account in this institution at June 30, 2012 was \$155,902. The Organization places its temporary cash investments with high-credit, high quality financial institutions. The Organization believes no significant concentration of credit risk exists with respect to these cash investments.

NOTE K – SUBSEQUENT EVENTS

These financial statements were approved by the management of the Organization and available for issuance on January 16, 2013. The Organization has evaluated subsequent events through January 16, 2013.

ADDITIONAL INFORMATION

COMMUNITY OVERCOMING RELATIONSHIP ABUSE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2012

Federal Grantor Pass-through Grantor/State Pass-through Grantor/County Program Title	Federal CFDA Number	Pass-through Grantor's Contract Number	Contract Period	Award Amount	Amount Expended 2012
FEDERAL AWARDS:					
Department of Housing and Urban Development					
Supportive Housing Program	14.235	CA0255B9T120802	12/1/10-11/30/11.	\$225,375	\$91,630
Supportive Housing Program	14.235	CA0255B9T121003	12/1/11-11/30/12	225,375	131,550
				<u>450,750</u>	<u>223,180</u>
Passed through City of Redwood City Community Development Block Grant	14.228	N/A	7/01/11-6/30/12	10,000	10,000
Passed through County of San Mateo American Recovery and Reinvestment Act of 2009 Homeless Prevention and Rapid Rehousing Services	14.262	N/A	10/1/09-9/30/11	68,300	568
Passed through the State of California American Recovery and Reinvestment Act of 2009 Homeless Prevention and Rapid Rehousing Services	14.262	N/A	10/1/09-9/30/11	<u>70,000</u>	<u>12,389</u>
				<u>138,300</u>	<u>12,957</u>
Passed through County of San Mateo Emergency Shelter for Domestic Violence Survivors	14.231	N/A	7/01/11-6/30/12	30,000	30,000
Passed through the State of California Federal Emergency Shelter Grant Program	14.231	11-FESG-7766	2/28/12-2/27/13	<u>132,000</u>	<u>7,998</u>
				<u>162,000</u>	<u>37,998</u>
Passed through County of San Mateo Housing Authority of the County of San Mateo	14.871	N/A	11/15/11-11/14-14	979,334	4,850
Department of Health and Human Services					
Passed through State of California Emergency Management Agency Domestic Violence Services Domestic Violence Assistance Program - FVPS	93.671	DV11011415	7/01/11-6/30/12	10,000	10,000
Domestic Violence Assistance Program - FVPS	93.671	DV11221415	7/01/11-6/30/12	<u>186,723</u>	<u>186,723</u>
				<u>196,723</u>	<u>196,723</u>
Department of Homeland Security					
Passed through County of San Mateo Emergency Food and Shelter Program	97.024	N/A	1/11/11-12/31/11	15,000	15,000
U.S. Department of Justice					
Passed through State of California Office of Emergency Services Domestic Violence Services Legal Assistance for Victims Grant Program (Subawardee)	16.524	2005-WL-AX-0022	7/1/05-10/31/11	545,000	46,445
Legal Assistance for Victims Grant Program (Subawardee)	16.524	2005-WL-AX-0022	10/1/11-9/30/12	<u>196,000</u>	<u>69,101</u>
				<u>741,000</u>	<u>115,546</u>
Transitional Housing Assistance Program American Recovery and Reinvestment Act of 2009	16.805	2009-EH-S6-0004	7/1/09-6/30/12	500,000	193,580
Community Defined Solutions to Violence Against Women (Subawardee)	16.590	2010-WE-AX-0067	10/1/10-9/30/12	675,000	122,149
Total Federal Awards				<u><u>\$3,868,107</u></u>	<u><u>\$931,983</u></u>

COMMUNITY OVERCOMING RELATIONSHIP ABUSE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2012

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Community Overcoming Relationship Abuse and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE B – FEDERAL EXPENDITURES

The amount of federal expenditures represents the amount of federal funds expended during the fiscal year ended June 30, 2012

ADDITIONAL REPORTS



Patricia A. Wintroath, CPA

Report on Internal Control over Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements Performed in accordance with
Government Auditing Standards

January 16, 2013

Board of Directors
Community Overcoming Relationship Abuse
Burlingame, California

I have audited the financial statements of Community Overcoming Relationship Abuse as of and for the year ended June 30, 2012, and have issued my report thereon dated December 30, 2012. I conducted my 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.

Internal Control over Financial Reporting

In planning and performing my audit, I considered Community Overcoming Relationship Abuse's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Community Overcoming Relationship Abuse's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements, that is more than inconsequential, will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or

material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Community Overcoming Relationship Abuse's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Directors, audit committee, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in blue ink that reads "Patricia A. Wintroath, CPA". The signature is written in a cursive style.

Patricia A. Wintroath, CPA



Patricia A. Wintroath, CPA

Report on Compliance with Requirements Applicable to Each Major Program and on
Internal Control over Compliance in Accordance with OMB Circular A-133

January 16, 2013

Board of Directors
Community Overcoming Relationship Abuse
Burlingame, California

Compliance

I have audited the compliance of Community Overcoming Relationship Abuse with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2012. Community Overcoming Relationship Abuse's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Community Overcoming Relationship Abuse's management. My responsibility is to express an opinion on Community Overcoming Relationship Abuse's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Community Overcoming Relationship Abuse's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on Community Overcoming Relationship Abuse's compliance with those requirements.

In my opinion, Community Overcoming Relationship Abuse complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2012.

Internal Control over Compliance

The management of Community Overcoming Relationship Abuse is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered Community Overcoming Relationship Abuse's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of Community Overcoming Relationship Abuse's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

My consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Directors, audit committee, others within the organization and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Patricia A. Wintroath, CPA

COMMUNITY OVERCOMING RELATIONSHIP ABUSE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2012

There were no prior year audit findings.

COMMUNITY OVERCOMING RELATIONSHIP ABUSE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2012

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of Community Overcoming Relationship Abuse
2. No significant deficiencies relating to the audit of the financial statements are reported in the *Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Community Overcoming Relationship Abuse were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the *Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133*.
5. The Auditor's report on compliance for major federal award programs for Community Overcoming Relationship Abuse expresses an unqualified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this Schedule. (No findings were noted.)
7. The programs tested as major programs include: Department of Housing and Urban Development, Federal Emergency Shelter Grant Program; CFDA No. 14.231; Department of Housing and Urban Development, Housing Authority of the County of San Mateo, CFDA No. 14.871; Department Homeland Security, Emergency Food and Shelter Program, CFDA No. 97.024; Department of Justice, Legal Assistance for Victims Grant Program, CFDA No. 16.524; Department of Justice, Transitional Housing Assistance Program, CFDA No. 16.805 Department of Justice, Community Defined Solutions to Violence Against Woment, CFDA No. 16.590
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Community Overcoming Relationship Abuse qualified as a low risk auditee.

FINDINGS – FINANCIAL STATEMENTS AUDIT

None

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None