

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

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

**YEAR ENDED JUNE 30, 2013**

**(WITH SUMMARIZED FINANCIAL INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2012)**

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*Patricia A. Wintroath, CPA*

Independent Auditor's Report

Board of Directors  
Community Overcoming Relationship Abuse  
San Mateo, California

I have audited the accompanying statement of financial position of Community Overcoming Relationship Abuse (a nonprofit organization), which comprise the statement of financial position as of June 30, 2013, 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**

My responsibility is to express an opinion on these financial statements based on my audit. 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. Those standards require that I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**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, 2013, and the changes in its net assets and its cash flows for the year then ended in

accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### **Report on Summarized Comparative Information**

I have previously audited the Community Overcoming Relationship Abuse's 2012 financial statements, and my report dated January 16, 2013, expressed an unmodified opinion on those audited financial statements. In my opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### **Other Information**

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by the Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

## **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, I have also issued my report dated March 27, 2014, on my consideration of Community Overcoming Relationship Abuse's internal control over financial reporting and on 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 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 Community Overcoming Relationship Abuse's internal control over financial reporting and compliance.

*Patricia A. Wintworth, CPA*

Certified Public Accountant  
Walnut Creek, CA

March 27, 2014

**COMMUNITY OVERCOMING RELATIONSHIP ABUSE**

## STATEMENT OF FINANCIAL POSITION

JUNE 30, 2013

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2012)

	Unrestricted			Total All Funds	
	General	Property and Equipment	Temporarily Restricted	2013	2012
<b>ASSETS</b>					
<b>CURRENT ASSETS:</b>					
Cash and cash equivalents	\$19,340	\$	\$58,629	\$77,969	\$515,921
Grants receivable (Note C)	501,173	131,000	70,000	702,173	1,540,725
Accounts and pledges receivable	46,226			46,226	40,134
Prepaid expenses	38,768		27,171	65,939	59,947
<b>TOTAL CURRENT ASSETS</b>	<b>605,507</b>	<b>131,000</b>	<b>155,800</b>	<b>892,307</b>	<b>2,156,727</b>
INVESTMENTS (Note D)	1,978,431			1,978,431	1,919,035
PROPERTY AND EQUIPMENT, net of accumulated depreciation and amortization at June 30, 2013 and 2012 of \$824,962 and \$703,585, respectively. (Note E)		4,202,125		4,202,125	901,102
DEPOSITS	6,900			6,900	47,002
<b>TOTAL ASSETS</b>	<b>\$2,590,838</b>	<b>\$4,333,125</b>	<b>\$155,800</b>	<b>\$7,079,763</b>	<b>\$5,023,866</b>
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT LIABILITIES:</b>					
Accounts payable and accrued expenses	\$50,908	\$	\$	\$50,908	\$25,541
Accrued wages	59,242			59,242	62,633
Accrued vacations	64,437			64,437	67,031
Line of credit (Note F)		525,200		525,200	0
Client savings account			13,500	13,500	17,509
Current portion of long term debt (Note G)		32,224		32,224	17,725
<b>TOTAL CURRENT LIABILITIES</b>	<b>174,587</b>	<b>557,424</b>	<b>13,500</b>	<b>745,511</b>	<b>190,439</b>
LONG TERM DEBT (Note G)		3,053,995		3,053,995	1,533,558
COMMITMENTS AND CONTINGENCIES (Note I)					
NET ASSETS (Notes B & I)	2,416,251	721,706	142,300	3,280,257	3,299,869
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$2,590,838</b>	<b>\$4,333,125</b>	<b>\$155,800</b>	<b>\$7,079,763</b>	<b>\$5,023,866</b>

See Notes to Financial Statements

**COMMUNITY OVERCOMING RELATIONSHIP ABUSE**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2013**  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2012)

	Unrestricted		Temporarily Restricted	Total All Funds	
	General	Property and Equipment		2013	2012
<b>SUPPORT AND REVENUE</b>					
Support:					
Foundations	\$185,889	\$	\$217,811	\$403,700	\$443,539
Organizations	26,404			26,404	26,426
Corporations	22,586			22,586	0
Individual donations	324,912		49,980	374,892	277,729
In-kind donations (Note B)	306,756			306,756	176,387
Total Support	866,547	0	267,791	1,134,338	924,081
Revenue:					
Government	710,105		1,226,978	1,937,083	1,715,439
Court ordered clients	18,994			18,994	19,685
Fees for service	1,270			1,270	3,170
Other revenue	46,428			46,428	29,822
Investment income	29,366			29,366	25,365
Special events	138,968			138,968	122,770
Total Revenue	945,131	0	1,226,978	2,172,109	1,916,251
Net Assets Released From Restrictions	1,161,867	471,987	(1,633,854)	0	0
<b>TOTAL SUPPORT AND REVENUE</b>	<b>2,973,545</b>	<b>471,987</b>	<b>(139,085)</b>	<b>3,306,447</b>	<b>2,840,332</b>
<b>EXPENSES</b>					
Program					
Client Services/Emergency Response Program	500,668			500,668	451,520
Clinical	310,448			310,448	308,644
Community Education	73,059			73,059	57,582
Legal Services	285,568			285,568	311,053
Housing	1,375,383			1,375,383	1,193,932
Volunteer Program	74,565			74,565	75,869
Total program expenses	2,619,691			2,619,691	2,398,600
Support					
Management and General	452,622			452,622	294,493
Fundraising	421,323			421,323	349,623
Total support expenses	873,945			873,945	644,116
<b>TOTAL EXPENSES</b>	<b>3,493,636</b>	<b>0</b>	<b>0</b>	<b>3,493,636</b>	<b>3,042,716</b>
<b>CHANGE IN NET ASSETS FROM OPERATIONS</b>	<b>(520,091)</b>	<b>471,987</b>	<b>(139,085)</b>	<b>(187,189)</b>	<b>(202,384)</b>
<b>NONOPERATING GAINS (LOSSES):</b>					
Unrealized gain (loss) on investments	84,972			84,972	(41,801)
Realized gain (loss) on investments	82,605			82,605	7,207
<b>TOTAL NONOPERATING GAINS (LOSSES)</b>	<b>167,577</b>	<b>0</b>	<b>0</b>	<b>167,577</b>	<b>(34,594)</b>
<b>CHANGE IN NET ASSETS</b>	<b>(352,514)</b>	<b>471,987</b>	<b>(139,085)</b>	<b>(19,612)</b>	<b>(236,978)</b>
<b>NET ASSETS, beginning of year</b>	<b>2,768,765</b>	<b>249,719</b>	<b>281,385</b>	<b>3,299,869</b>	<b>3,536,847</b>
<b>NET ASSETS, end of year (Notes B &amp; I)</b>	<b>\$2,416,251</b>	<b>\$721,706</b>	<b>\$142,300</b>	<b>\$3,280,257</b>	<b>\$3,299,869</b>

See Notes to Financial Statements

**COMMUNITY OVERCOMING RELATIONSHIP ABUSE**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2013**  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2012)

	Client Services/ ERP	Community Education	Clinical	Legal Services	Housing * Program	Volunteer Program	Total Program	Management and General	Fundraising	Total Support	Total All Funds	
											2013	2012
Salaries	\$294,097	\$29,535	\$132,808	\$172,176	\$486,873	\$27,290	\$1,142,779	\$177,732	\$206,412	\$384,144	\$1,526,923	\$1,487,225
Payroll taxes	25,435	2,554	11,466	14,976	42,941	2,408	99,780	14,603	17,876	32,479	132,259	128,542
Employee benefits	49,116	4,306	18,447	25,753	74,700	4,101	176,423	29,281	31,758	61,039	237,462	215,696
<b>Total personnel expenses</b>	<b>368,648</b>	<b>36,395</b>	<b>162,721</b>	<b>212,905</b>	<b>604,514</b>	<b>33,799</b>	<b>1,418,982</b>	<b>221,616</b>	<b>256,046</b>	<b>477,662</b>	<b>1,896,644</b>	<b>1,831,463</b>
Travel	695	18	1,794	1,333	6,997	174	11,011	2,356	695	3,051	14,062	16,873
Training and education	6,428	500	3,531	4,787	5,144	478	20,868	9,710	1,064	10,774	31,642	28,021
Meals and entertainment	147		21	206	663	158	1,195	11,957	83	12,040	13,235	13,766
Rent	29,504	2,552	10,735	12,156	354,563	2,552	412,062	10,814	9,923	20,737	432,799	290,543
Utilities	2,586	227	954	1,119	24,574	227	29,687	963	991	1,954	31,641	18,426
Emergency lodging					7,304		7,304			0	7,304	8,391
Repairs and maintenance	908	79	330	343	25,674	79	27,413	3,224	388	3,612	31,025	17,513
Office expense	11,257	462	2,679	3,614	14,365	843	33,220	48,932	7,141	56,073	89,293	36,445
Telephone	12,721	462	2,003	2,812	11,290	574	29,862	1,631	1,190	2,821	32,683	30,009
Postage	708	61	257	310	991	61	2,388	399	4,420	4,819	7,207	4,273
Printing	219	497	62	107	1,008	6	1,899	5,007	18,163	23,170	25,069	10,353
Program activities	45	1,443			1,448	362	3,298	122		122	3,420	3,859
Program supplies	56	33	212		16,228	704	17,233		2,908	2,908	20,141	19,033
Bank charges					10		10	9,869	1,520	11,389	11,399	2,575
Insurance	3,457	301	1,265	2,688	7,545	402	15,658	573	1,226	1,799	17,457	17,716
Taxes					3,893		3,893	20		20	3,913	1,929
Interest expense					3,439		3,439	41,981		41,981	45,420	2,714
Dues and subscriptions				1,185	250		1,435	3,179	53	3,232	4,667	5,251
Advertising and promotion	300			225	375		900	3,766	655	4,421	5,321	2,525
Professional fees	23,192	1,216	64,787	6,169	29,295	1,451	126,110	47,200	20,915	68,115	194,225	272,155
Other fees				205	59		264	1,380	644	2,024	2,288	1,452
Depreciation	5,413	412	1,736	1,894	81,204	412	91,071	28,902	1,404	30,306	121,377	73,036
Special event expenses							0		49,394	49,394	49,394	42,829
Client assistance					64,286		64,286			0	64,286	114,729
Miscellaneous expenses					(3)		(3)	(979)	40,000	39,021	39,018	450
Donated materials	22,064			10,112	105,738		137,914		2,500	2,500	140,414	60,859
Donated services	12,320	28,401	57,361	23,398	4,529	32,283	158,292			0	158,292	115,528
<b>Total expenses</b>	<b>\$500,668</b>	<b>\$73,059</b>	<b>\$310,448</b>	<b>\$285,568</b>	<b>\$1,375,383</b>	<b>\$74,565</b>	<b>\$2,619,691</b>	<b>\$452,622</b>	<b>\$421,323</b>	<b>\$873,945</b>	<b>\$3,493,636</b>	<b>\$3,042,716</b>

\* Housing program includes Emergency Shelter and Transitional Housing Programs

**COMMUNITY OVERCOMING RELATIONSHIP ABUSE**

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2013

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2012)

	Unrestricted		Temporarily Restricted	Total All Funds	
	General	Property and Equipment		2013	2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Change in Net Assets	(\$352,514)	\$471,987	(\$139,085)	(\$19,612)	(\$236,978)
Adjustment to reconcile change in net assets to cash provided (used) by operating activities:					
Depreciation		121,377		121,377	73,036
	(352,514)	593,364	(139,085)	101,765	(163,942)
<b>CHANGES IN CURRENT ASSETS AND CURRENT LIABILITIES</b>					
(Increase) decrease in grants receivable	64,652	768,900	5,000	838,552	(860,449)
(Increase) decrease in accounts and pledges receivable	(6,092)			(6,092)	21,074
(Increase) decrease in prepaid expenses	8,034		(14,026)	(5,992)	14,994
(Increase) decrease in deposits	40,102			40,102	(26,997)
Increase (decrease) in accounts payable and accrued expenses	25,367			25,367	(24,956)
Increase (decrease) in accrued wages	(3,391)			(3,391)	(5,022)
Increase (decrease) in accrued vacations	(2,594)			(2,594)	6,584
Increase (decrease) in client savings account			(4,009)	(4,009)	(767)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>(226,436)</b>	<b>1,362,264</b>	<b>(152,120)</b>	<b>983,708</b>	<b>(1,039,481)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
(Sale) Purchase of securities	(226,973)			(226,973)	157,258
Unrealized gain (loss) on investments	84,972			84,972	(41,800)
Realized gain (loss) on investments	82,605			82,605	7,207
(Gain) Loss on disposal of equipment				0	0
Equipment and property purchases		(3,422,400)		(3,422,400)	(11,387)
Equipment and property donations				0	0
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b>(59,396)</b>	<b>(3,422,400)</b>	<b>0</b>	<b>(3,481,796)</b>	<b>111,278</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>					
Borrowing on long term loan		1,632,500		1,632,500	1,001,500
Borrowing on line of credit		525,200			
Repayments on loans/ Line of credit		(97,564)		(97,564)	(1,165)
<b>NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES</b>	<b>0</b>	<b>2,060,136</b>	<b>0</b>	<b>2,060,136</b>	<b>1,000,335</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(285,832)</b>	<b>0</b>	<b>(152,120)</b>	<b>(437,952)</b>	<b>72,132</b>
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<b>305,172</b>	<b>0</b>	<b>210,749</b>	<b>515,921</b>	<b>443,789</b>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<b>\$19,340</b>	<b>\$0</b>	<b>\$58,629</b>	<b>\$77,969</b>	<b>\$515,921</b>
<b>SUPPLEMENTAL INFORMATION:</b>					
Interest paid				\$43,920	\$2,714

See Notes to Financial Statements

**COMMUNITY OVERCOMING RELATIONSHIP ABUSE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2013**

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**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, 2013**

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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.

Fair Value Measurements – Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Organization determines the fair values of its assets and liabilities based on a fair value hierarchy that includes three levels of inputs that may be used to measure fair value.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date. An active market is a market in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 inputs are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly.

**COMMUNITY OVERCOMING RELATIONSHIP ABUSE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2013**

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NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Level 3 inputs are unobservable inputs for the assets or liability. Unobservable inputs reflect the Organization's own assumptions about the assumption market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the Organization's own data.

The Organization had no assets or liabilities recorded at fair value on June 30, 2013.

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, 2013, 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.

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, 2013.

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.

**COMMUNITY OVERCOMING RELATIONSHIP ABUSE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2013**

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**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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 2012 - The financial information for the year ended June 30, 2012, presented for comparative purposes, and is not intended to be a complete financial statement presentation.

Reclassifications - Certain reclassifications have been made in the 2012 comparative totals to conform to the classifications used in 2013.

**NOTE C – GRANTS RECEIVABLE**

Grants receivable consisted of the following amounts at June 30, 2013:

City of Daly City	\$ 1,903
City of San Mateo - RDA	8,080
City of Redwood City – CDBG	8,387
County of San Mateo - CCAT	15,000
County of San Mateo – CDBG Shelter	142,202
County of San Mateo - HSA Child & Family Services	22,500
County of San Mateo - PBA	20,247
County of San Mateo - Probation Trust	11,354
California Emergency Management Agency - DVAP	203,796
U.S. Department of Housing and Urban Development	123,080
U.S. Department of Justice – OVW Legal Assistance for Victims	47,761
U.S. Department of Justice OVW Transitional Housing	700
U.S. Department of Justice OVW Community Defined Solutions	27,163
Blue Shield of California	65,000
Highfield Foundation	<u>5,000</u>
Total Grants Receivable	<u>\$702,173</u>

**COMMUNITY OVERCOMING RELATIONSHIP ABUSE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2013**

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NOTE C – GRANTS RECEIVABLE (Continued)

The organization does not believe that an allowance for doubtful accounts is required for any of the grant receivable as of June 30, 2013.

NOTE D – INVESTMENTS

Investments for the year ended June 30, 2013, consisted of the following:

<u>Type</u>	<u>Cost Basis</u>	<u>Fair Market Value</u>	<u>Unrealized Gain/(Loss)</u>
Stocks & Mutual Funds	\$1,105,708	\$1,403,646	\$297,938
Corporate Obligations	289,941	310,173	20,232
Real Estate Asset Funds	87,019	88,688	1,669
Government Obligations	<u>179,485</u>	<u>175,924</u>	<u>(3,561)</u>
Total	<u>\$1,662,153</u>	<u>\$1,978,431</u>	<u>\$316,278</u>

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

NOTE E – PROPERTY AND EQUIPMENT

Property and Equipment as of June 30, 2013, consisted of the following:

Building and Improvements	\$3,105,790
Land	1,526,640
Shelter Furniture and equipment	117,801
Office Furniture and equipment	247,456
Vehicle	<u>29,400</u>
	5,027,087
Less: Accumulated Depreciation	<u>824,962</u>
	<u>\$4,202,125</u>

Depreciation and amortization expense for the years ended June 30, 2013 and 2012 was \$121,377 and \$73,036, respectively.

NOTE F – LINE OF CREDIT

The Organization holds a line of credit with Wells Fargo Bank with a maximum borrowing limit of \$750,000. At June 30, 2013, the interest rate on the line was Prime plus 1.00%, for a resulting rate of 3.25%. The outstanding balance at June 30, 2013, was \$525,200.

**COMMUNITY OVERCOMING RELATIONSHIP ABUSE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2013**

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**NOTE G – LONG TERM DEBT**

The long term debt of the organization consisted of the following loans at June 30, 2013. 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. 34,956

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 in 2010 to bear 3% simple interest and is payable in full in 2013. The accrued interest through June 30, 2013 is \$30,000. \$ 80,000

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, 2013 is \$30,445. 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, 2013 is \$42,476. 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.

**COMMUNITY OVERCOMING RELATIONSHIP ABUSE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2013**

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NOTE G – LONG TERM DEBT (Continued)

Payments on the note are deferred for 20 years. The note is due on July 1, 2028. The accrued interest through June 30, 2013 is \$11,244. This interest has not been entered on the books of the Organization. 75,000

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 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, 2013, the project was completed and CORA used only \$937,527 of the available funds. The notice of Occupancy has not yet been filed. 937,527

On March 13, 2013, CORA entered into an agreement With the County of San Mateo, to borrow \$131,000 for the rehabilitation of an emergency shelter in Redwood City. The note bears interest at 3% simple interest. Payments on the note are deferred for 30 years. The note is due on July 1, 2043. The accrued interest through June 30, 2013 is \$0. This interest has not been entered on the books of the Organization. 131,000

On July 11, 2012, CORA entered into an agreement with First National Bank of Northern California, to borrow \$1,500,000 for the acquisition of an administrative office located in San Mateo. The note bears interest at 5%. Monthly payments of principal and interest are \$8,769. The note matures on December 3, 2022. 1,482,736

\$3,086,219

Less current portion 32,224

\$3,053,995

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

**COMMUNITY OVERCOMING RELATIONSHIP ABUSE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2013**

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**NOTE G – LONG TERM DEBT (Continued)**

Year Ended June 30,

2014	\$ 32,224
2015	34,727
2016	36,504
2017	38,371
2018	40,334
Subsequent	<u>2,904,059</u>
	<u>\$3,086,219</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.

**NOTE H - COMMITMENTS AND CONTINGENCIES**

The organization rents storage space from Public Storage on a month to month basis. The rent expense for the years ended June 30, 2013 and 2012 was \$2,706 and \$135, respectively.

The following is a schedule, by year, of future minimum rentals under the leases at June 30, 2013:

<u>Year</u>	<u>Amount</u>
2014	\$0

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

**COMMUNITY OVERCOMING RELATIONSHIP ABUSE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2013**

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NOTE H - COMMITMENTS AND CONTINGENCIES (Continued)

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, 2013. Management believes that matters arising from governmental agencies' review of the independent auditors' reports for the year ended June 30, 2013 will not have a material effect on the financial position of the organization.

NOTE I – NET ASSETS

At June 30, 2013, the Organization's temporarily restricted net assets consisted of the following grants:

Blue Shield of California	\$65,000
Highfield Foundation	5,000
Kruttschnitt	50,000
Other Foundations	<u>22,300</u>
Total Temporarily Restricted Net Assets	<u>\$142,300</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 not in excess of federally insured limits. 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, 2013 was \$19,382. 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 March 27, 2014. The Organization has evaluated subsequent events through March 27, 2014.

## **ADDITIONAL INFORMATION**

**COMMUNITY OVERCOMING RELATIONSHIP ABUSE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2013**

<b>Federal Grantor</b> Pass-through Grantor/State Pass-through Grantor/County Program Title	<b>Federal</b> <b>CFDA</b> <b>Number</b>	<b>Pass-through</b> <b>Grantor's</b> <b>Contract</b> <b>Number</b>	<b>Contract</b> <b>Period</b>	<b>Award</b> <b>Amount</b>	<b>Amount</b> <b>Expended</b> <b>2012</b>
<b>FEDERAL AWARDS:</b>					
<b>Department of Housing and Urban Development</b>					
Supportive Housing Program	14.235	CA0255B9T120802	12/1/12-11/30/13	\$225,375	\$136,222
Supportive Housing Program	14.235	CA0255B9T121003	12/1/11-11/30/12	225,375	85,398
				<u>450,750</u>	<u>221,620</u>
Passed through City of Redwood City Community Development Block Grant	14.228	N/A	7/01/12-6/30/13	10,000	10,000
Passed through County of San Mateo Emergency Shelter for Domestic Violence Survivors	14.231	N/A	7/01/12-6/30/13	27,274	27,274
Passed through the State of California Federal Emergency Shelter Grant Program	14.231	11-FESG-7766	2/28/12-2/27/13	132,000	124,002
Federal Emergency Shelter Grant Program	14.231	12-FESG-8467	12/16/12-12/15/13	150,000	71,993
				<u>309,274</u>	<u>223,269</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	185,983
<b>Department of Health and Human Services</b>					
Passed through State of California Emergency Management Agency Domestic Violence Services Domestic Violence Assistance Program - FVPS	93.671	DV12021415	7/01/12-6/30/13	10,000	10,000
Domestic Violence Assistance Program - FVPS	93.671	DV12231415	7/01/12-6/30/13	186,723	186,723
				<u>196,723</u>	<u>196,723</u>
<b>Department of Homeland Security</b>					
Passed through County of San Mateo Emergency Food and Shelter Program	97.024	N/A	1/11/12-5/31/13	17,000	17,000
<b>U.S. Department of Justice</b>					
Passed through State of California Office of Emergency Services Domestic Violence Services Legal Assistance for Victims Grant Program (Subawardee)	16.524	2011-WL-AX-0056	10/1/11-9/30/13	196,000	103,219
				<u>196,000</u>	<u>103,219</u>
Community Defined Solutions to Violence Against Women (Subawardee)	16.590	2010-WE-AX-0067	10/1/10-9/30/12	675,000	16,235
Against Women (Subawardee)	16.590	2012-WE-AX-00	10/1/12-9/30/14	675,000	75,442
				<u>1,350,000</u>	<u>91,677</u>
<b>Total Federal Awards</b>				<u><u>\$3,509,081</u></u>	<u><u>\$1,049,491</u></u>

**COMMUNITY OVERCOMING RELATIONSHIP ABUSE**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2013**

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**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, 2013

## **ADDITIONAL REPORTS**



*Patricia A. Wintroath, CPA*

Independent Auditor's 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*

Board of Directors  
Community Overcoming Relationship Abuse  
San Mateo, California

I have audited, in accordance with the 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, the financial statements of Community Overcoming Relationship Abuse (a nonprofit organization), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated March 27, 2014.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Community Overcoming Relationship Abuse's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Community Overcoming Relationship Abuse's internal control. Accordingly, I do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control 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 and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### 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*.

### Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Patricia A. Wintroath, CPA*

Patricia A. Wintroath, CPA  
Walnut Creek, CA  
March 27, 2014



*Patricia A. Wintroath, CPA*

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133

Board of Directors  
Community Overcoming Relationship Abuse  
San Mateo, California

Report on Compliance for Each Major Federal Program

I have audited Community Overcoming Relationship Abuse's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Community Overcoming Relationship Abuse's major federal programs for the year ended June 30, 2013. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable its federal programs.

Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of Community Overcoming Relationship Abuse's major federal programs based on my audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, my audit does not provide a legal determination on Community Overcoming Relationship Abuse's compliance.

Opinion on Each Major Federal Program

In my opinion, Community Overcoming Relationship Abuse complied, in all material respects, with the types of compliance requirements referred to above that could have

a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

#### Internal Control over Compliance

Management of Community Overcoming Relationship Abuse is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered Community Overcoming Relationship Abuse's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine my auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

My consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Patricia A. Wintroath, CPA*

Patricia A. Wintroath, CPA  
Walnut Creek, CA  
March 27, 2014

**COMMUNITY OVERCOMING RELATIONSHIP ABUSE**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**YEAR ENDED JUNE 30, 2013**

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There were no prior year audit findings.

**COMMUNITY OVERCOMING RELATIONSHIP ABUSE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2013**

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**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, Supportive Housing Program; CFDA No. 14.235; Department of Housing and Urban Development, Community Development Block Grant, CFDA No. 14.228; Department of Health and Human Services, Domestic Violence Assistance Program FVPS, CFDA No. 93.671; Department of Justice, Legal Assistance for Victims Grant Program, CFDA No. 16.524.
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