



**HARRINGTON GROUP**  
CERTIFIED PUBLIC ACCOUNTANTS, LLP

LA CASA DE LAS MADRES

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FINANCIAL STATEMENTS  
and  
ADDITIONAL INFORMATION

JUNE 30, 2019

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**INDEPENDENT AUDITORS' REPORT**

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To the Board of Directors  
La Casa de Las Madres

**Report on the Financial Statements**

We have audited the accompanying financial statements of La Casa de Las Madres (a nonprofit organization), which comprise the Statement of Financial Position as of June 30, 2019, 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.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of La Casa de Las Madres as of June 30, 2019, 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.

## INDEPENDENT AUDITORS' REPORT

continued

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### Other Matter

#### *Report on Summarized Comparative Information*

We have previously audited La Casa de Las Madres' 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 3, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2019, on our consideration of La Casa de Las Madres' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of La Casa de Las Madres' 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 La Casa de Las Madres' internal control over financial reporting and compliance.

*Harrington Group*

Oakland, California

December 3, 2019

**LA CASA DE LAS MADRES**

**STATEMENT OF FINANCIAL POSITION**

June 30, 2019

With comparative totals at June 30, 2018

	Without Donor Restrictions	With Donor Restrictions	2019	2018
<b>ASSETS</b>				
Cash and cash equivalents (Note 2)	\$ 2,330,111	\$ 34,167	\$ 2,364,278	\$ 3,603,652
Cash - unemployment trust (Note 8)	24,177		24,177	24,336
Total cash	2,354,288	34,167	2,388,455	3,627,988
Accounts receivable	438,783		438,783	334,985
Pledges receivable (Note 4)	51,285	24,000	75,285	14,785
Prepaid expenses	51,440		51,440	84,438
Property and equipment (Note 6)	6,955,370	1,000,000	7,955,370	1,222,150
<b>TOTAL ASSETS</b>	<b>\$ 9,851,166</b>	<b>\$ 1,058,167</b>	<b>\$ 10,909,333</b>	<b>\$ 5,284,346</b>
<b>LIABILITIES AND NET ASSETS</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 67,204	\$ -	\$ 67,204	\$ 24,449
Accrued liabilities (Note 7)	136,172		136,172	120,374
Accrued unemployment liability (Note 8)	19,483		19,483	19,483
Note payable (Note 9)	3,757,396		3,757,396	-
Line of credit (Note 10)			-	-
<b>TOTAL LIABILITIES</b>	3,980,255	-	3,980,255	164,306
<b>NET ASSETS</b>				
Without donor restrictions	5,870,911		5,870,911	5,110,040
With donor restrictions (Note 12)		1,058,167	1,058,167	10,000
<b>TOTAL NET ASSETS</b>	5,870,911	1,058,167	6,929,078	5,120,040
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 9,851,166</b>	<b>\$ 1,058,167</b>	<b>\$ 10,909,333</b>	<b>\$ 5,284,346</b>

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

LA CASA DE LAS MADRES

STATEMENT OF ACTIVITIES

For the year ended June 30, 2019

With comparative totals for the year ended June 30, 2018

	Without Donor Restrictions	With Donor Restrictions	2019	2018
<b>REVENUE</b>				
Government contract revenues (Note 13)	\$ 2,447,263	\$ -	\$ 2,447,263	\$ 2,073,956
Contributions	965,974	1,440,202	2,406,176	1,692,672
Special event - net of expense \$18,315	169,928		169,928	138,088
In-kind donations	88,239		88,239	33,474
Interest income	35,105		35,105	19,987
Other	(3,027)		(3,027)	326
Net assets released from restrictions (Note 12)	392,035	(392,035)	-	-
<b>TOTAL REVENUE</b>	<b>4,095,517</b>	<b>1,048,167</b>	<b>5,143,684</b>	<b>3,958,503</b>
<b>EXPENSES</b>				
Program services	2,872,361		2,872,361	2,569,997
Support services	462,285		462,285	299,112
<b>TOTAL EXPENSES</b>	<b>3,334,646</b>	<b>-</b>	<b>3,334,646</b>	<b>2,869,109</b>
<b>CHANGE IN NET ASSETS</b>	<b>760,871</b>	<b>1,048,167</b>	<b>1,809,038</b>	<b>1,089,394</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>5,110,040</b>	<b>10,000</b>	<b>5,120,040</b>	<b>4,030,646</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 5,870,911</b>	<b>\$ 1,058,167</b>	<b>\$ 6,929,078</b>	<b>\$ 5,120,040</b>

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

LA CASA DE LAS MADRES

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2019

With comparative totals for the year ended June 30, 2018

	Program Services		Community Education	Total Program Services	Support Services		Total Support Services	Total Expenses	
	Residential Services	Non-Residential Services			Management and General	Fundraising		2019	2018
Salaries	\$ 581,426	\$ 1,077,990	\$ 88,288	\$ 1,747,704	\$ 30,579	\$ 167,103	\$ 197,682	\$ 1,945,386	\$ 1,782,162
Payroll taxes and fringe benefits	167,467	220,815	15,430	403,712	6,926	51,756	38,682	442,394	394,439
Total personnel costs	748,893	1,298,805	103,718	2,151,416	37,505	198,859	236,364	2,387,780	2,176,601
Professional fees and services	112,096	123,960	6,069	242,125	12,921	10,116	23,037	265,162	148,584
Rent and other occupancy	96,757	76,704	5,683	179,144	11,365	9,471	20,836	199,980	231,897
Other operating expenses	39,488	35,134	11,496	86,118	16,654	25,223	41,877	127,995	120,435
Supplies	27,377	52,560	32,715	112,652	3,266	4,481	7,747	120,399	90,695
Interest expense					96,394		96,394	96,394	193
Depreciation	38,962			38,962	30,366		30,366	69,328	43,171
Repair and maintenance	33,092	6,029	544	39,665	1,088	907	1,995	41,660	34,548
Insurance	6,912	14,366	1,001	22,279	2,001	1,668	3,669	25,948	22,985
<b>TOTAL 2019 FUNCTIONAL EXPENSES</b>	<b>\$ 1,103,577</b>	<b>\$ 1,607,558</b>	<b>\$ 161,226</b>	<b>\$ 2,872,361</b>	<b>\$ 211,560</b>	<b>\$ 250,725</b>	<b>\$ 462,285</b>	<b>\$ 3,334,646</b>	
<b>TOTAL 2018 FUNCTIONAL EXPENSES</b>	<b>\$ 979,115</b>	<b>\$ 1,398,246</b>	<b>\$ 192,636</b>	<b>\$ 2,569,997</b>	<b>\$ 80,535</b>	<b>\$ 218,577</b>	<b>\$ 299,112</b>	<b>\$ 2,869,109</b>	

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

**LA CASA DE LAS MADRES**

**STATEMENT OF CASH FLOWS**

For the year ended June 30, 2019

With comparative totals for the year ended June 30, 2018

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 1,809,038	\$ 1,089,394
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	69,328	43,171
(Increase) decrease in operating assets:		
Accounts receivable	(103,798)	(56,125)
Pledges receivable	(60,500)	42,240
Prepaid expenses	32,998	28
Increase (decrease) in operating liabilities:		
Accounts payable	42,755	1,574
Accrued liabilities	15,798	15,304
Unemployment liability	-	3,139
	<b>1,805,619</b>	<b>1,138,725</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property and equipment	(3,002,548)	(22,000)
	<b>(3,002,548)</b>	<b>(22,000)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Principal payments on note payable	(42,604)	-
	<b>(42,604)</b>	<b>-</b>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,239,533)</b>	<b>1,116,725</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>3,627,988</b>	<b>2,511,263</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 2,388,455</b>	<b>\$ 3,627,988</b>
<b>SUPPLEMENTAL DISCLOSURE:</b>		
Operating activities reflect interest paid of:	\$ 96,394	\$ 193
Non-cash transactions:		
Property and equipment acquired with notes payable	<b>\$ 3,800,000</b>	<b>\$ -</b>

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

# LA CASA DE LAS MADRES

## NOTES TO FINANCIAL STATEMENTS

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### 1. Organization

La Casa de Las Madres ("La Casa") is a California not-for-profit corporation established in 1976. The mission of La Casa is to respond calls for help from domestic violence victims, of all ages, 24 hours a day, 365 days a year. We give survivors the tools to transform their lives. We seek to prevent future violence by educating the community and by redefining public perceptions about domestic violence.

La Casa accomplishes its mission by engaging nearly 20,000 women, teens, men, older adults, and children each year through a continuum of expert intervention and prevention services. Envisioning a community where domestic violence is not tolerated and equal access to asset building opportunities is freely available, La Casa utilizes trauma-informed, strength-based empowerment models to resource victims, survivors, and those at-risk of abuse to affect change and break the cycles of violence in their lives.

Guided by the three overarching pieces of our mission, we work to lead our community to a healthier future where safety is a guaranteed right for all women, children, and families.

To address the first part of our mission, La Casa offers 24-hour crisis response through two, statewide domestic-violence hotlines (Teen and Adult). In the last fiscal year, 6,761 callers received live support on our 2 crisis hotlines. Our confidentially-located Emergency Shelter offered safe refuge and comprehensive support services for 368 child and adult survivors fleeing abusive homes. La Casa also reached out to 930 survivors following a police response to their abuse.

To fulfill the second part of our mission, we provide survivors with the tools for emotional healing and resource building. Last year, 3,611 women, teens, and children accessed our residential and community-based programming that includes therapy, support groups, case management, and peer counseling. Additionally, 1,900 minors indirectly benefited from this programming through our family focused support services designed to strengthen the non-abusive family unit.

For the last piece of our mission, La Casa strives to prevent future violence through an active Community Education & Outreach Program. This program teaches healthy relationship norms by educating thousands of teens, adults, and professionals each year about domestic-violence dynamics and warning signs. Last year, we reached 4,279 individuals through 222 tailored education workshops. We also connected with 7,684 individuals at over 331 outreach events including street fairs and school assemblies.

La Casa often frames its service spectrum as a "hub and spoke" model. Our Drop-In Counseling Center is the main hub for intervention and prevention services. Each year, thousands of women, teens, and children access its specialized resources including counseling, support groups, and case management. These services are designed to address the particular needs of mothers, teenagers, survivors over 50, and formerly homeless survivors living in subsidized housing.



# LA CASA DE LAS MADRES

## NOTES TO FINANCIAL STATEMENTS

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### 1. Organization, continued

The spokes represent co-located advocates at various community touchpoints throughout the city including the San Francisco Housing Authority, Mary Elizabeth Inn, SFPD Special Victims Unit, the Human Services Agency, and select SF Unified School District High School Wellness Centers. La Casa offers a Housing First program to assist survivors in finding and securing permanent housing, and also connects with survivors through a Text Line. La Casa's Community Education and Outreach Program seeks to prevent domestic violence among teens and adults, give voice to silenced victims, and motivate social change through public awareness and education. At each location, our advocates respond to the unique needs of survivors in their respective neighborhoods or place of service. From finding affordable housing to safety planning, our case managers are on-site to provide immediate help and advocacy for each survivor. As we bring our work and message to new communities, our goal is to create a space for hope where survivors can build abuse-free lives.

La Casa receives its funding from private contributions and from county and state government agencies, with certain portions of its funding originating from the federal government.

### 2. Summary of Significant Accounting Policies

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements is as follows:

#### **Basis of Presentation**

The accompanying financial statements have been prepared on the accrual basis of accounting.

#### **Net Assets**

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

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

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

#### **Cash and Cash Equivalents**

La Casa has defined cash and cash equivalents as cash in banks and certificates of deposits with an original maturity of six months or less.

continued

# LA CASA DE LAS MADRES

## NOTES TO FINANCIAL STATEMENTS

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### 2. Summary of Significant Accounting Policies, continued

#### Accounts Receivable

Accounts receivable are receivables from governmental agencies. Therefore, no allowance for doubtful accounts has been provided.

#### Contributions and Pledges Receivable

Unconditional promises to give that are expected to be collected within one year are recorded as net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discount is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

#### Investments

La Casa values its investments at fair value. Unrealized gains and losses (including investments bought, sold, and held during the year) are reflected in the Statement of Activities as gain or loss on investments. Short-term highly liquid money market deposits or certificates of deposit that are not used for operations are treated as investments.

#### Fair Value Measurements

Generally accepted accounting principles provide guidance on how fair value should be determined when financial statement elements are required to be measured at fair value. Valuation techniques are ranked in three levels depending on the degree of objectivity of the inputs used with each level:

Level 1 inputs - quoted prices in active markets for identical assets

Level 2 inputs - quoted prices in active or inactive markets for the same or similar assets

Level 3 inputs - estimates using the best information available when there is little or no market

La Casa is required to measure pledged contributions and non-cash contributions at fair value. The specific techniques used to measure fair value for these financial statement elements are described in the notes below that relate to each element.

#### Property and Equipment

Property and equipment are recorded at cost if purchased or at fair value at the date of donation if donated. Depreciation is computed on the straight-line basis over the estimated useful lives of the related assets. Maintenance and repair costs are charged to expense as incurred. Property and equipment are capitalized if the cost of an asset is greater than or equal to one thousand dollars and the useful life is greater than one year.

continued

# LA CASA DE LAS MADRES

## NOTES TO FINANCIAL STATEMENTS

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### 2. Summary of Significant Accounting Policies, continued

#### Satisfaction of Restrictions on Long-lived Assets

Contributions received for the acquisition of long-lived assets where the donor imposes continuing restriction requirements are recognized as with donor restrictions. When the donor not impose continuing restriction requirements on the use of long-lived assets, contributions are without donor restrictions upon expenditure to acquire the assets.

#### Concentration of Credit Risks

La Casa places its temporary cash investments with high-credit, quality financial institutions. At times, such investments may be in excess of the Federal Deposit Insurance Corporation insurance limit. La Casa has not incurred losses related to these investments or cash equivalents and transfers funds to other institutions on a regular basis to manage this risk.

The primary receivable balance outstanding at June 30, 2019 consists of government contract receivables due from county, state, and federal granting agencies. Concentration of credit risks with respect to trade receivables are limited, as the majority of La Casa's receivables consist of earned fees from contract programs granted by governmental agencies.

#### Donated Materials and Services

Contributions of donated non-cash assets are measured on a non-recurring basis and recorded at fair value in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at fair value in the period received (see Note 4).

A number of unpaid volunteers have made significant contributions of their time to La Casa. However, the value of these services is not reflected in these financial statements because the criteria for recognition have not been satisfied.

#### Income Taxes

La Casa is exempt from taxation under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d.

Generally accepted accounting principles provide accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken by La Casa in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination. La Casa's returns are subject to examination by federal and state taxing authorities, generally for three and four years, respectively, after they are filed.

2. Summary of Significant Accounting Policies, continued

**Functional Allocation of Expenses**

Costs of providing La Casa's programs and other activities have been presented in the Statement of Functional Expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit. La Casa uses full-time employee equivalents to allocate indirect costs.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues, and expenses as of the date and for the period presented. Actual results could differ from those estimates.

**Recently Adopted Accounting Pronouncement**

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now titled "without donor restrictions" and "with donor restrictions", (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed-in-service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. The ASU is effective for fiscal years beginning after December 15, 2017. Early adoption is permitted. The provisions of the ASU must be applied on a retrospective basis for all years presented although certain optional practical expedients are available for the periods prior to adoption. La Casa's financial statements for the year ended June 30, 2019 are presented in accordance with ASU 2016-14.

**Comparative Totals**

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with La Casa's financial statements for the year ended June 30, 2018, from which the summarized information was derived.

# LA CASA DE LAS MADRES

## NOTES TO FINANCIAL STATEMENTS

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### 2. Summary of Significant Accounting Policies, continued

#### Subsequent Events

Management has evaluated subsequent events through December 3, 2019, the date which the financial statements were available for issue. No events or transactions have occurred during this period that appear to require recognition or disclosure in the financial statements.

### 3. Liquidity and Availability of Resources

La Casa regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. La Casa has various sources of liquidity at its disposal, including cash and cash equivalents, and various receivables. For purposes of analyzing resources available to meet general expenditures over a 12-month period, La Casa considers all expenditures related to its ongoing activities of providing program related activities as well as the conduct of services undertaken to support those activities to be general expenditures.

La Casa strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures. The following table reflects La Casa's financial assets as of June 30, 2019, reduced by amounts that are not available to meet general expenditures within one year of the balance sheet date.

Cash and cash equivalents	\$2,364,278
Accounts receivable	438,783
Pledge receivable	<u>51,285</u>
Total financial assets at year-end	<u>\$2,854,346</u>

Financial assets available to meet expenditures over the next 12 months.

Total financial assets	\$2,854,346
Less: current liabilities	<u>(222,859)</u>
Assets available to meet expenditures in next 12 months	<u>\$2,631,487</u>

### 4. Pledges Receivable

Pledges receivable are recorded as support when pledged unless designated otherwise. All pledges are valued at the estimated fair present value at June 30, 2019 and are deemed fully collectible. Accordingly, no allowance for uncollectible pledges has been recorded as of June 30, 2019. Total amount of pledges receivable at June 30, 2019, of \$75,285, is expected to be collected within one year.

**LA CASA DE LAS MADRES**

**NOTES TO FINANCIAL STATEMENTS**

**5. Fair Market Value Measurement**

The table below present transactions measured at fair value on a non-recurring basis during the year ended June 30, 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Pledged contribution - new	\$ -	\$ -	\$84,000	\$ 84,000
Contributed legal services		53,837		53,837
Contributed services		28,975		28,975
Contributed materials		<u>5,427</u>		<u>5,427</u>
	<u>\$ -</u>	<u>\$88,239</u>	<u>\$84,000</u>	<u>\$172,239</u>

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

The fair value of current year new pledges is measured on a non-recurring basis by estimating future cash flows, based on pledge commitments and previous experience and discounting the carrying amount to present value (Level 3 inputs).

**6. Property and Equipment**

Property and equipment at June 30, 2019 consist of the following:

Land	\$5,036,846
Building	2,763,528
Building improvements	603,266
Furniture and equipment	<u>275,749</u>
	8,679,389
Less: accumulated depreciation	<u>(724,019)</u>
	<u>\$7,955,370</u>

For the year ended June 30, 2019 depreciation expense was \$69,328.

**7. Accrued Liabilities**

Accrued liabilities at June 30, 2019 consist of the following:

Accrued vacation	\$ 95,390
Accrued wages	<u>40,782</u>
	<u>\$136,172</u>

# LA CASA DE LAS MADRES

## NOTES TO FINANCIAL STATEMENTS

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### 8. Accrued Unemployment Liability

La Casa has elected to be self-insured for the purposes of California State Unemployment Insurance. Accrued unemployment liability at June 30, 2019, of \$19,483, represents estimated future claims arising from payroll paid to June 30, 2019. Unemployment expense for the year ended June 30, 2019 was \$23,981. La Casa utilizes the services of an unemployment trust to handle its claims. The cash amount of \$24,177, held by the trust as a reserve for future claims, is reflected as a separate cash line item in the Statement of Financial Position. Quarterly cash contributions to the trust, in the subsequent period, were increased to replenish the funds that are to be available for future claims.

### 9. Note Payable

Note payable to a bank, secured by a deed of trust and assignment of all rents on real property in San Francisco County, California, interest at 4.60%, monthly payments of \$20,179, due November, 2028.

\$3,757,396

Maturities for note payable are as follows:

<u>Year ending June 30,</u>	
2020	\$ 65,929
2021	69,110
2022	72,444
2023	75,938
2024	90,205
Thereafter	<u>3,383,770</u>
	<u>\$3,757,396</u>

### 10. Line of Credit

La Casa has an unsecured line of credit in the amount of \$150,000 from a bank, at an interest rate of Wall Street Journal West Coast Edition prime rate plus 2.00%, due December 26, 2019. No amount was outstanding at June 30, 2019.

### 11. Commitments and Contingencies

#### Contracts

La Casa's grants and contracts are subject to inspection and audit by the appropriate governmental funding agency. The purpose is to determine whether program funds were used in accordance with their respective guidelines and regulations. The potential exists for disallowance of previously funded program costs. The ultimate liability, if any, which may result from these governmental audits cannot be reasonably estimated and, accordingly, La Casa has no provisions for the possible disallowance of program costs on its financial statements.

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# LA CASA DE LAS MADRES

## NOTES TO FINANCIAL STATEMENTS

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### 11. Commitments and Contingencies, continued

#### Restrictions on Use of Property

La Casa received grant funding amounting to \$1,000,000 for the year ended June 30, 2019 from the Northern California Community Loan Fund for the purchase of a building. The terms of the agreements have place certain restrictions on the use and disposition of the property for a period of thirty years. The entire grant plus interest at 10% may have to be repaid should there be any violations in the restrictions.

### 12. Net Assets With Donor Restrictions

Net assets with donor restrictions at June 30, 2019 consist of the following:

Restrictions on use of property	\$1,000,000
Economic empowerment program	22,500
Domestic violence	20,000
Domestic violence emergency	11,667
Innovative prevention project	<u>4,000</u>
	<u>\$1,058,167</u>

For the year ended June 30, 2019, net assets with donor restrictions released from purpose restrictions were \$392,035.

### 13. Government Contract Revenues

Government contract revenues for the year ended June 30, 2019 consist of the following:

City and County of San Francisco:	
Department on the Status of Women	\$ 891,442
Department of Homelessness and Supportive Housing	301,554
Department of Human Services	291,592
Emergency Shelter Grant Program	150,000
State of California:	
Office of Emergency Services ("Cal OES") – DV Assistance Program	637,501
Office of Emergency Services ("Cal OES") – DV Housing First	77,713
Child and Adult Care Food Program	34,931
Department of Homeland Security:	
Emergency Food and Shelter Program	27,264
University of California:	
ARISE	<u>35,266</u>
	<u>\$2,447,263</u>

continued



LA CASA DE LAS MADRES

NOTES TO FINANCIAL STATEMENTS

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14. Pension Plan

La Casa participates in a qualified defined contribution 403(b) tax-sheltered annuity retirement plan that covered all eligible employees. La Casa makes matching contributions equal to 100% of participant's contributions of 1% to 4% of the participant's annual wages. La Casa will not make contributions beyond dollar limits set by law. Employer contributions under this plan for the year ended June 30, 2019 were \$15,492.

15. Domestic Violence Shelter Program – CalOES

Costs incurred for the Domestic Violence Shelter Program relating to the CalOES funding are included in program services on the Statement of Functional Expenses. These costs for the year ended June 30, 2019 consist of the following:

	<b>Grant#</b>
	<b><u>DV18311262</u></b>
Category:	
Salaries	\$348,965
Operating expenses	<u>133,416</u>
Total	<u>\$482,381</u>
Matching	<u>\$22,549</u>
	<b>Grant#</b>
	<b><u>XD18011262</u></b>
Category:	
Salaries	\$26,041
Operating expenses	<u>51,672</u>
Total	<u>\$77,713</u>
Matching	<u>\$16,598</u>