

**LA CASA DE LAS MADRES**

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**FINANCIAL STATEMENTS**

**JUNE 30, 2021**

**PASADENA**  
2698 Mataro St.  
Pasadena, CA 91107  
p: 626.403.6801

**A Trusted Nonprofit Partner**

Main Fax: 626.403.6866

[www.npocpas.com](http://www.npocpas.com)

**OAKLAND**  
1901 Harrison St., Suite 115C  
Oakland, CA 94612  
p: 510.379.1182

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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, 2021, and the related Statements of Activities, Functional Expenses, and Cash Flows for the year then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### 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 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 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, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## INDEPENDENT AUDITORS' REPORT

continued

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### Other Matter

#### *Report on Summarized Comparative Information*

We have previously audited La Casa de Las Madres' 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 24, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2021, 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 7, 2021

**LA CASA DE LAS MADRES**

STATEMENT OF FINANCIAL POSITION

June 30, 2021

With comparative totals at June 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>				
Cash and cash equivalents (Note 2)	\$ 4,738,698	\$ 117,500	\$ 4,856,198	\$ 3,952,096
Cash - unemployment trust (Note 9)	46,263		46,263	27,912
Total cash	4,784,961	117,500	4,902,461	3,980,008
Accounts receivable	477,895		477,895	451,827
Pledges receivable (Note 4)	11,805		11,805	78,802
Prepaid expenses	53,489		53,489	86,282
Property and equipment (Note 6)	6,954,797	1,000,000	7,954,797	7,933,572
<b>TOTAL ASSETS</b>	<b>\$ 12,282,947</b>	<b>\$ 1,117,500</b>	<b>\$ 13,400,447</b>	<b>\$ 12,530,491</b>
<b>LIABILITIES AND NET ASSETS</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 93,838	\$ -	\$ 93,838	\$ 112,302
Accrued liabilities (Note 7)	207,328		207,328	179,757
Accrued unemployment liability (Note 8)	22,779		22,779	21,933
Note payable (Note 9)	3,609,749		3,609,749	3,691,981
Line of credit (Note 10)			-	-
<b>TOTAL LIABILITIES</b>	<b>3,933,694</b>	<b>-</b>	<b>3,933,694</b>	<b>4,005,973</b>
<b>NET ASSETS</b>				
Without donor restrictions	8,349,253		8,349,253	7,209,268
With donor restrictions (Note 12)		1,117,500	1,117,500	1,315,250
<b>TOTAL NET ASSETS</b>	<b>8,349,253</b>	<b>1,117,500</b>	<b>9,466,753</b>	<b>8,524,518</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 12,282,947</b>	<b>\$ 1,117,500</b>	<b>\$ 13,400,447</b>	<b>\$ 12,530,491</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, 2021

With comparative totals for the year ended June 30, 2020

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>2021</b>	<b>2020</b>
<b>REVENUE AND SUPPORT</b>				
Government contracts and grants (Note 13)	\$ -	\$ 2,734,783	\$ 2,734,783	\$ 2,646,687
Contributions	1,555,688	142,500	1,698,188	2,471,183
Special event - net of expenses \$139	99,696		99,696	127,068
Interest income	22,937		22,937	45,125
In-kind donations	32,240		32,240	26,353
Other	178		178	205
Net assets released from restrictions (Note 12)	3,075,033	(3,075,033)	-	-
<b>TOTAL REVENUE AND SUPPORT</b>	<b>4,785,772</b>	<b>(197,750)</b>	<b>4,588,022</b>	<b>5,316,621</b>
<b>EXPENSES</b>				
Program services	3,209,316		3,209,316	3,250,443
Support services	436,471		436,471	470,738
<b>TOTAL EXPENSES</b>	<b>3,645,787</b>	<b>-</b>	<b>3,645,787</b>	<b>3,721,181</b>
<b>CHANGE IN NET ASSETS</b>	<b>1,139,985</b>	<b>(197,750)</b>	<b>942,235</b>	<b>1,595,440</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>7,209,268</b>	<b>1,315,250</b>	<b>8,524,518</b>	<b>6,929,078</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 8,349,253</b>	<b>\$ 1,117,500</b>	<b>\$ 9,466,753</b>	<b>\$ 8,524,518</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, 2021

With comparative totals for the year ended June 30, 2020

	Program Services			Total Program Services	Support Services		Total Support Services	Total Expenses	
	Residential Services	Non-Residential Services	Community Education		Management and General	Fundraising		2021	2020
Salaries	\$ 688,027	\$ 1,106,330	\$ 91,751	\$ 1,886,108	\$ 57,353	\$ 157,598	\$ 214,951	\$ 2,101,059	\$ 2,152,064
Payroll taxes and fringe benefits	160,454	224,757	16,514	401,725	11,402	25,261	36,663	438,388	420,679
Total personnel costs	848,481	1,331,087	108,265	2,287,833	68,755	182,859	251,614	2,539,447	2,572,743
Professional fees and services	176,698	222,251	4,861	403,810	12,558	7,968	20,526	424,336	371,990
Supplies	26,193	40,897	39,901	106,991	3,713	4,935	8,648	115,639	192,066
Interest expense	35,372	72,642	5,153	113,167	14,838	9,414	24,252	137,419	167,166
Other operating expenses	45,380	49,671	9,932	104,983	10,122	31,516	41,638	146,621	140,724
Depreciation	40,636			40,636	76,556		76,556	117,192	106,690
Rent and other occupancy	56,935	14,582	861	72,378	2,479	1,573	4,052	76,430	82,658
Repair and maintenance	41,347	13,881	886	56,114	2,551	1,618	4,169	60,283	59,686
Insurance	7,315	15,023	1,066	23,404	3,069	1,947	5,016	28,420	27,458
<b>TOTAL 2021 FUNCTIONAL EXPENSES</b>	<b>\$ 1,278,357</b>	<b>\$ 1,760,034</b>	<b>\$ 170,925</b>	<b>\$ 3,209,316</b>	<b>\$ 194,641</b>	<b>\$ 241,830</b>	<b>\$ 436,471</b>	<b>\$ 3,645,787</b>	
TOTAL 2020 FUNCTIONAL EXPENSES	\$ 1,172,601	\$ 1,912,218	\$ 165,624	\$ 3,250,443	\$ 254,368	\$ 216,370	\$ 470,738		\$ 3,721,181

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, 2021

With comparative totals for the year ended June 30, 2020

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 942,235	\$ 1,595,440
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	117,192	106,690
(Increase) decrease in operating assets:		
Accounts receivable	(26,068)	(13,044)
Pledges receivable	66,997	(3,517)
Prepaid expenses	32,793	(34,842)
Increase (decrease) in operating liabilities:		
Accounts payable	(18,464)	45,098
Accrued liabilities	27,571	43,585
Unemployment liability	846	2,450
	<b>1,143,102</b>	<b>1,741,860</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property and equipment	(138,417)	(84,892)
	<b>(138,417)</b>	<b>(84,892)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Principal payments on note payable	(82,232)	(65,415)
	<b>(82,232)</b>	<b>(65,415)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>922,453</b>	<b>1,591,553</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>3,980,008</b>	<b>2,388,455</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 4,902,461</b>	<b>\$ 3,980,008</b>
<b>SUPPLEMENTAL DISCLOSURE:</b>		
Operating activities reflect interest paid of:	<b>\$ 137,419</b>	<b>\$ 167,166</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 to 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 women, teens, men, older adults, and children through a continuum of expert intervention and prevention services. In this fiscal year, we engaged 13,000 community members despite disruptions in access points and partner operations resulting from the COVID-19 pandemic. 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, and taking in to account the limitations brought about by the COVID-19 pandemic, 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) and a Text Line. In the last fiscal year, 4,768 callers received live support on our two telephone hotlines, and responded to 1,294 texts on our emergency Text Line. Our confidentially-located Emergency Shelter offered safe refuge and comprehensive support services for 162 child and adult survivors fleeing abusive homes. La Casa also reached out to 1,324 survivors across San Francisco 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, 915 women, teens, and children accessed our residential and community-based programming that includes therapy, support groups, case management, and peer counseling. Additionally, 1,179 minors indirectly benefited from this programming through our family focused support services designed to strengthen the non-abusive family unit.

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.

The spokes represent key partnerships and co-located advocates at various community touchpoints throughout the city including the San Francisco Housing Authority, two permanent support housing sites (SROs), San Francisco Police Department's Special Victims Unit, the Human Services Agency, Zuckerberg San Francisco General Hospital, 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. 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 DE LAS MADRES

## NOTES TO FINANCIAL STATEMENTS

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### 1. **Organization**, continued

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. Activities give voice to silenced victims and motivate social and systemic change through public awareness, issue advocacy, and education. Last year, we reached 3,207 individuals through 66 tailored education workshops. We also connected with 2,174 individuals at over 143 outreach events including street fairs and school assemblies.

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 does 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, 2021 consists of government contract receivables due from county, state, and federal granting agencies. Concentration of credit risks with respect to trade receivables are limited, as the majority of 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 5).

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.

continued

# LA CASA DE LAS MADRES

## NOTES TO FINANCIAL STATEMENTS

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### 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.

#### Revenue and Revenue Recognition

La Casa recognizes contributions when cash, securities, or other assets, an unconditional promise to give, or a notification of beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. Consequently, at June 30, 2021, La Casa does not have any conditional contributions to disclose in the accompanying financial statements.

A portion of La Casa's revenue is derived from cost-reimbursable federal, state, city and county contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when La Casa has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. Consequently, at June 30, 2021, La Casa does not have any refundable advances to disclose.

#### 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, 2020, from which the summarized information was derived.

#### Subsequent Events

Management has evaluated subsequent events through December 7, 2021, 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.

continued

# LA CASA DE LAS MADRES

## NOTES TO FINANCIAL STATEMENTS

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### 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 180 days at a minimum of general expenditures. The following table reflects La Casa's financial assets as of June 30, 2021, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date.

Cash and cash equivalents	\$4,856,198
Accounts receivable	477,895
Pledge receivable	<u>11,805</u>
Financial assets available	5,345,898
Less: donor restricted assets	<u>(117,500)</u>
Assets available to meet expenditures in next 12 months	<u>\$5,228,398</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, 2021 and are deemed fully collectible. Accordingly, no allowance for uncollectible pledges has been recorded as of June 30, 2021. Total amount of pledges receivable at June 30, 2021, of \$11,805, is expected to be collected within one year.

### 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, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Pledged contribution - new	\$ -	\$ -	\$261,839	\$261,839
Contributed legal services		24,371		24,371
Contributed materials		<u>7,869</u>		<u>7,869</u>
	<u>\$ -</u>	<u>\$32,240</u>	<u>\$261,839</u>	<u>\$294,079</u>

The fair value of contributed legal 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).

continued

# LA CASA DE LAS MADRES

## NOTES TO FINANCIAL STATEMENTS

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### 6. Property and Equipment

Property and equipment at June 30, 2021 consist of the following:

Land	\$5,036,846
Building	2,763,528
Building improvements	778,712
Furniture and equipment	<u>323,611</u>
	8,902,697
Less: accumulated depreciation	<u>(947,900)</u>
	<u>\$7,954,797</u>

For the year ended June 30, 2021 depreciation expense was \$117,192.

### 7. Accrued Liabilities

Accrued liabilities at June 30, 2021 consist of the following:

Accrued vacation	\$140,518
Accrued wages	<u>66,810</u>
	<u>\$207,328</u>

### 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, 2021, of \$22,779, represents estimated future claims arising from payroll paid to June 30, 2021. Unemployment expense for the year ended June 30, 2021 was \$22,268. La Casa utilizes the services of an unemployment trust to handle its claims. The cash amount of \$46,263, 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.

# LA CASA DE LAS MADRES

## NOTES TO FINANCIAL STATEMENTS

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### 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, currently interest at 4.00%, monthly payments of \$19,514, due November, 2028.

\$3,609,749

Maturities for note payable are as follows:

<u>Year ending June 30,</u>	
2022	\$ 91,527
2023	95,256
2024	100,778
2025	105,494
2026	109,028
Thereafter	<u>3,107,666</u>
	<u>\$3,609,749</u>

### 10. Line of Credit

La Casa has an unsecured line of credit in the amount of \$150,000 from a bank, at a variable interest rate of 5.25%, due December 26, 2022. No amount was outstanding at June 30, 2021.

### 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.

#### Restrictions on Use of Property

La Casa received grant funding amounting to \$1,000,000 for the year ended June 30, 2020 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.

continued



# LA CASA DE LAS MADRES

## NOTES TO FINANCIAL STATEMENTS

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### 11. Commitments and Contingencies, continued

#### Impact of COVID-19 Virus

Following the State “Safer at Home” order to close all non-essential business activities, La Casa has been conducting business activities under Safer at Home isolation protocols. The overall impact of the COVID-19 virus on La Casa cannot be foreseen at this time and is not reflected in these financial statements.

### 12. Net Assets With Donor Restrictions

Net assets with donor restrictions at June 30, 2021 consist of the following:

Restrictions on use of property	\$1,000,000
COVID-19 response	70,000
Domestic Violence	<u>47,500</u>
	<u>\$1,117,500</u>

For the year ended June 30, 2021, net assets with donor restrictions released from purpose restrictions were \$3,075,033.

### 13. Government Contract Revenues

Government contract revenues for the year ended June 30, 2021 consist of the following:

City and County of San Francisco:	
Department on the Status of Women	\$ 903,899
Department of Homelessness and Supportive Housing	333,730
Department of Human Services	309,350
Emergency Shelter Grant Program	190,906
State of California:	
Office of Emergency Services (“Cal OES”) – DV Assistance Program	545,701
Office of Emergency Services (“Cal OES”) – DV Housing First	387,859
Child and Adult Care Food Program	15,838
Department of Homeland Security:	
Emergency Food and Shelter Program	<u>47,500</u>
	<u>\$2,734,783</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, 2021 were \$26,835.

### 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, 2021 consist of the following:

	<b>Grant#</b> <b><u>DV19321262 &amp; DV20331262</u></b>
Category:	
Salaries	\$450,514
Operating expenses	<u>125,187</u>
Total	<u>\$575,701</u>
Matching	<u>\$0</u>
	<b>Grant#</b> <b><u>XD19021262 &amp; XD20031262</u></b>
Category:	
Salaries	\$ 86,947
Operating expenses	<u>300,912</u>
Total	<u>\$387,859</u>
Matching	<u>\$0</u>