

CASA PROTEGIDA JULIA DE BURGOS, INC.
(A Not-For Profit Organization)

**FINANCIAL STATEMENTS AND
SINGLE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2020
WITH INDEPENDENT AUDITORS' REPORT**

CASA PROTEGIDA JULIA DE BURGOS, INC.
FINANCIAL STATEMENTS
JUNE 30, 2020

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INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

To the Board of Directors
Casa Protegida Julia de Burgos, Inc.
San Juan, Puerto Rico

We have audited the accompanying financial statements of Casa Protegida Julia de Burgos, Inc. (CASA JULIA) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, 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

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 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, 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.

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS
(CONTINUED)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Casa Protegida Julia de Burgos, Inc. (a not-for-profit organization) as of June 30, 2020 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 Matter

Our audit was conducted for the purposes of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Requirements for Federal Awards (Uniform Guidance)*, 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 our 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*, we have also issued our report dated December 28, 2020, on our consideration of Casa Protegida Julia de Burgos, Inc.'s internal control over financial reporting and our test of its compliance with certain provision of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

San Juan, Puerto Rico
December 28, 2020

Diaz & Candelaria, P.S.C.

Diaz & Candelaria, P.S.C.

License No. 34, expire December 1, 2022
The CPA Stamp No. E435231 of P.R. State
Society of Certified Public Accountants was
affixed to the record copy of this report.



CASA PROTEGIDA JULIA DE BURGOS, INC.

**STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020**

ASSETS

Cash	\$	208,927
Grants and Contracts Receivable		286,034
Prepayments		7,678
Total Current Assets		<u>502,639</u>
Property and Equipment, net		274,672
Deposits		11,939
Total Assets	\$	<u><u>789,250</u></u>

LIABILITIES AND NET ASSETS

Liabilities:

Accounts Payable	\$	32,427
Accrued Expenses		131,101
Deferred revenue		292,137
Current Portion of Long Term Debt		295,184
Total Current Liabilities		<u>750,849</u>
Long Term Debt		3,044
Total Liabilities		<u>753,893</u>

Net Assets:

Without Donor Restrictions		35,357
Total Net Assets		<u>35,357</u>
Total Liabilities and Net Assets	\$	<u><u>789,250</u></u>

The Accompanying Notes are Integral Part of these Financial Statements.

CASA PROTEGIDA JULIA DE BURGOS, INC.

**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2020**

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUES AND OTHER SUPPORT			
Governmental Grants	\$ 17,771	\$ 1,136,796	\$ 1,154,567
Private Grants	68,532	38,396	106,928
In-Kind Donated Material and Services	204,756	-	204,756
Interest	42	-	42
Fund Raising	28,512	-	28,512
Private Contributions	51,981	-	51,981
Other	24,232	-	24,232
Total Revenues and Other Support	395,826	1,175,192	1,571,018
NET ASSETS RELEASED FROM RESTRICTIONS			
Satisfaction of Program Restrictions	1,175,192	(1,175,192)	-
Total Revenues and Other Support	1,571,018	-	1,571,018
EXPENDITURES			
Ambulatory Services	227,846	-	227,846
Shelter and support to participants	629,478	-	629,478
Housing (Transition and Permanent)	673,992	-	673,992
General and Administrative	124,117	-	124,117
Total Expenditures	1,655,433	-	1,655,433
Excess of Expenditures Over Revenues	(84,415)	-	(84,415)
Net Assets, Beginning of Year	119,772	-	119,772
Net Assets, End of Year	\$ 35,357	-	\$ 35,357

The Accompanying Notes are Integral Part of these Financial Statements.

CASA PROTEGIDA JULIA DE BURGOS, INC.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020**

CASH FLOWS FROM OPERATING ACTIVITIES:

Changes in Net Assets	\$ (84,415)
Adjustment to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation and amortization	63,191
Decrease (Increase) in:	
Grants and Contracts Receivable	(276,828)
Prepaid and Other Assets	(3,747)
Increase (Decrease) in:	
Accounts Payable and Accrued Expenses	(9,232)
Deferred Revenue	268,542
Net Cash Used by Operating Activities	<u>(42,489)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchases of equipment	(37,057)
Net Cash Used In Investing Activities	<u>(37,057)</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Principal payments on debt	(9,581)
Proceed from PPP Loan	115,400
Net Cash Provided In Financing Activities	<u>105,819</u>

NET INCREASE IN CASH 26,273

CASH AT BEGINNING OF YEAR 182,654

CASH AT END OF YEAR **\$ 208,927**

The Accompanying Notes are Integral Part of these Financial Statements.

CASA PROTEGIDA JULIA DE BURGOS, INC.

**SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Ambulatory Services</u>	<u>Shelter</u>	<u>Housing</u>	<u>General and Administrative</u>	<u>Total</u>
Personnel:					
Salaries	\$ 64,699	\$ 229,696	\$ 228,068	\$ 434	\$ 522,897
Payroll Taxes and Fringe Benefits	20,790	31,719	35,148	2,771	90,428
	<u>85,489</u>	<u>261,415</u>	<u>263,216</u>	<u>3,205</u>	<u>613,325</u>
Others Expenses:					
Professional Services - Administrative	-	-	-	75,213	75,213
Professional Services - Programmatic	7,517	80,490	84,286	434	172,727
Food	2,962	4,579	4,017	244	11,802
Medicines	556	884	1,174	-	2,614
Programs Supplies	63,867	61,335	15,298	562	141,062
Office Supplies	206	6,638	6,131	1,801	14,776
Electricity & Gas	3,553	20,793	1,477	402	26,225
Water Sewer	1,169	3,874	571	26	5,640
Telephone	1,094	3,439	2,235	1,440	8,208
Repairs and Maintenance	8,158	20,024	6,717	878	35,777
Insurance	1,472	4,423	2,989	1,493	10,377
Rent	5,000	9,675	192,467	2,125	209,267
Support to Participants	911	631	6,323	148	8,013
Minor Furniture and Fixture	4,019	4,125	3,155	1,108	12,407
Postage and Delivery	193	552	-	31	776
Training and Seminars	75	4,345	5,483	-	9,903
Advertising and promotion	-	-	17	-	17
Transportation Expenses	5,043	1,259	8,501	4,498	19,301
Other Expenses	2,249	-	184	-	2,433
Bank Services Charges	60	195	33	2,079	2,367
Interest Expenses	-	-	-	5,256	5,256
Depreciation and Amortization	6,289	22,900	12,265	21,737	63,191
	<u>114,393</u>	<u>250,161</u>	<u>353,323</u>	<u>119,475</u>	<u>837,352</u>
Services - In Kind	8,973	30,006	50,587	1,437	91,003
Food and Clothes - In Kind	18,991	87,896	6,866	-	113,753
Total Expenditures	<u>\$ 227,846</u>	<u>\$ 629,478</u>	<u>\$ 673,992</u>	<u>\$ 124,117</u>	<u>\$1,655,433</u>

The Accompanying Notes are Integral Part of these Financial Statements.

CASA PROTEGIDA JULIA DE BURGOS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE A - GENERAL ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Casa Protegida Julia de Burgos, Inc. (CASA JULIA) was incorporated in October 19, 1979 under the laws of the Commonwealth of Puerto Rico as a nonprofit organization. Its main activities consist in providing protection, support and housing to victims of domestic violence and their children. CASA JULIA is supported primarily through governmental grants including federal funds and donor contributions.

Summary of Significant Accounting Policies

(1) Basis of Accounting

Basis of accounting refers to the point at which revenues and expenditures are recognized in the accounts and reported in the statements of activities. It is related to the timing of measurements made, regardless of the measurements focus applied. The accrual basis of accounting is followed by Net Assets without Donor Restrictions. Under this basis revenues are recorded when earned, independently of when they are collected and expenses are recorded when incurred, independently of when they are paid. Continuum of Care Program, Emergency Shelter Grant Program funds and other federal assistance received but not earned are classified as refundable advances until restrictions expired. The amount of restrictions expired in excess of receipts are classified as receivable.

(2) Financial Statement Presentation

CASA JULIA Financial statements presentation follows the recommendations of FASB ASC 2016-14 – *Non for Profit Entities* (ASC). Under ASC, the Organization is required to report information regarding its financial position and activities according to two classes of net assets, as follows:

With donor restrictions - Net assets subject to donor-imposed stipulations that may be fulfilled by actions of the Organization pursuant to those stipulations or that expire by the passage of time.

Without donor restrictions - Net assets that are not subject to donor-imposed stipulations.

CASA PROTEGIDA JULIA DE BURGOS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE A - GENERAL ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continuation)

Summary of Significant Accounting Policies

Revenues from sources other than contribution are reported as increases in without donor restrictions net assets. Expenses are reported as decreases in without donor restrictions net assets. Expirations of temporary restrictions recognized on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications from with donor restrictions net assets to without donor restrictions net assets.

(3) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(4) Property and Equipment

CASA JULIA reports gifts of equipment as unrestricted support unless explicit donor stipulation specifies how the donated assets must be used. Donations of property, plant and equipment are recorded as support at their estimated fair value.

Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. In the absence of donor stipulations regarding how long those donated assets must be maintained, CASA JULIA reports expiration of donor restrictions when the donated or acquired assets are placed in service to unrestricted net assets. Property and equipment are recorded at cost and depreciated using the straight-line method as follows: Leasehold Improvements (5), Building and Improvements (40), Furniture and Equipment (3-10) and Motor Vehicles (5).

(5) Cash and Cash Equivalents

For the purpose of the statement of cash flows, CASA JULIA considers all highly liquid investments with maturity of three months or less to be cash equivalents.

CASA PROTEGIDA JULIA DE BURGOS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE A - GENERAL ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(6) Vacations and Sick Leave

Employees are entitled to 15 days of vacation and up to 30 days based on years of service and 14 days of sick leave annually. Sick leave is not accrued because it does not vest; employees are not paid for any sick leave balance at termination of employment or any other time. At June 30, 2020 the accrued vacations of \$35,287, were included as accrued payroll taxes and benefits in the statement of financial position.

(7) Interfund Transactions

CASA JULIA maintains a separate fund accounting for each of its activities of programs. Interfunds transactions are temporarily and/or permanently board approved transfers between funds that subsequently have been eliminated for financial statement purpose. These interfunds transactions and allocations are presented as a transfer of net assets.

(8) Tax Status

The Organization have been determined to be exempt from United States income taxes under Section 501(c) (3) of the Internal Revenue Code and from Puerto Rico taxes pursuant to Section 1101.01(a) (2) of the Puerto Rico Income Tax Act of 1954, as amended.

The Organization follows the provision of FASB ASC 740-10 "*Income Taxes*", which clarifies the accounting for uncertainty in income taxes recognized in an Organization's financial statements in accordance with FASB ASC 740. Under the provision for this Interpretation, the Organization is required to evaluate its income tax position each year to determine whether the Organization's tax provision is more-likely-than-not to be sustained if examined by the applicable taxing authority.

Management of the Organization has evaluated its tax position and has concluded that this requirement had no effect on the Organization's financial position or changes in its net assets.

The Organization's policy for interest and penalties related to income tax exposures is to recognize interest and penalties as a component of the provision for income taxes in the Statement of Activities and Changes in Net Assets. As of June 30, 2020, the Organization believes that there are no uncertain tax positions and has no accrued income tax related interest and/or penalties in the Statement of Financial Position.

CASA PROTEGIDA JULIA DE BURGOS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE A - GENERAL ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(8) Tax Status (Continued)

The Organization is potentially subject to income tax audits in the Commonwealth of Puerto Rico for taxable years from 2014 to 2020, until the applicable statute of limitations expires, as well as, the Internal Revenue Services which has a three (3) years of statute of limitations. Tax audits by their nature are often complex and can require several years to complete.

(9) Impairment of Long-Lived Assets

CASA JULIA follows the provisions of “*Impairment and Disposal of Long-Lived Assets-Overall – Subsequent Measurement*” which address financial accounting and reporting for such transactions. This topic requires long-lived assets to be reviewed for impairment whenever vents or changes in circumstances indicate that carrying amount of an asset may not be recoverable. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment change is recognized by the amount by which the carrying amount of the asset exceeds its fair value. Management has reviewed its long-lived assets according to provisions of this topic and believes that no impairment adjustments is deemed necessary over such assets for the year ended June 30, 2020.

(10) Federal Grants and Contracts

The Organization receives its grants and contracts support and revenues primarily from HUD and other federal and state agencies.

All grants and contracts are available for unrestricted use unless specifically restricted by the grantor. Amounts received that are designated for future periods or restricted by the grantor for specific purposes are reported as Net Assets With Donor Restrictions support that increases those net asset classes. When a Donor Restriction expires, Net Assets with Donor Restrictions are reclassified to Net Assets without Donor Restrictions and reported in the Statement of Activities and Changes in Net Assets as net assets released from restrictions.

CASA PROTEGIDA JULIA DE BURGOS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE A - GENERAL ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(11) Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. According, certain costs have been allocated among the programs and supporting services benefited.

NOTE B – LIQUIDITY AND AVAILABILITY

CASA JULIA’s financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Cash and cash Equivalents	\$ 208,927
Grant Receivable	<u>286,034</u>
Total Financial Assets Available Within One Year	<u>\$ 494,961</u>

As part of CASA JULIA’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

NOTE C - GRANTS AND PLEDGES RECEIVABLE

Federal grants and other contributions receivable represent expended amounts (restrictions expired) in excess of receipts. CASA JULIA considers grants and pledges receivable fully collectible; accordingly, no allowance for uncollectible grants and pledges has been provided in the accompanying statement financial position. Federal grants and other contributions receivable consist of the following:

<u>Description</u>	<u>Amount</u>
Oficina de Administración de Tribunales	\$ 12,628
P.R. Department of Justice	94,592
P.R. Department of Family- Domestic Violence	115,000
HUD – Continuum of Care	55,739
Fundación Comunitaria	7,700
Others Receivable	<u>375</u>
Total	<u>\$ 286,034</u>

CASA PROTEGIDA JULIA DE BURGOS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE D - PROPERTY AND EQUIPMENT

The following table summarizes the cost and accumulated depreciation of property and equipment:

<u>Description</u>	<u>Useful Life</u>	<u>Amount</u>
Land	-	\$ 101,260
Building	40 yrs.	707,120
Equipment, Furniture and Fixtures	5 yrs.	184,251
Vehicles	5 yrs.	<u>184,855</u>
		1,177,486
Less: Accumulated Depreciation and Amortization		<u>902,814</u>
		<u>\$ 274,672</u>

NOTE E – ACCRUED EXPENSES

Accrued expenses as of June 30, 2020 consist of the following:

<u>Description</u>	<u>Amount</u>
Accrued Interests and Penalties on Mortgage	\$ 79,532
Accrued Vacations	35,287
Other Payroll Taxes	<u>16,282</u>
Total	<u>\$ 131,101</u>

CASA PROTEGIDA JULIA DE BURGOS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE F – LONG TERM DEBT

(1) Notes Payable

a. Mortgage payable at 3.25% interest due in monthly installments of \$970, including interest, through March 30, 2020 and a final lump-sum payment on April 2020; collateralized with the main office of CASA JULIA. This loan is due.	\$ 171,608
b. On May 18, 2020, Casa Julia received loan proceeds in the amount of \$115,000 under the Paycheck Protection Program (“PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after eight weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the eight-week period. The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months. Casa Julia intends to use the proceeds for purposes consistent with the PPP. While Casa Julia currently believes that its use of the loan proceeds will meet the conditions for forgiveness of the loan, we cannot assure you that we will not take actions that could cause the entity to be ineligible for forgiveness of the loan, in whole or in part.	115,400
c. Repayment Plan with the Puerto Rico Treasury Department, related to unpaid income tax withheld, due in 48 monthly installments of \$753 including interest at 10% through November 2021.	
	<u>11,220</u>
Total	<u>\$ 298,228</u>
Less: Current Portion of Note Payable	<u>295,184</u>
Long-Term Debt	<u><u>\$ 3,044</u></u>

CASA PROTEGIDA JULIA DE BURGOS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE F – LONG TERM DEBT (Continued)

Notes Payable

Scheduled maturities of notes payable outstanding at June 30, 2020 are as follows:

<u>Years Ending June 30,</u>	<u>Amount</u>
2021	\$ 295,184
2022	<u>3,044</u>
Total note payable	<u>\$ 298,228</u>

Summary of Long Term Debt:

	<u>Current</u>	<u>Long Term</u>	<u>Total</u>
Mortgage Notes Payable	\$ 171,608	-	\$ 171,608
Paycheck Protection Program Loan (PPP)	115,400		115,400
Repayment Plan	<u>8,176</u>	<u>3,044</u>	<u>11,220</u>
Total	<u>\$ 295,184</u>	<u>\$ 3,044</u>	<u>\$ 298,228</u>

NOTE G - TEMPORARILY RESTRICTED NET ASSETS

Net assets were released from restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors. During the years ended June 30, 2020 the amount of net assets released from restrictions amounted to \$1,254,848. Such net assets were contributed to CASA JULIA through conditional governmental programs and private contribution in the form of grants, awards and contracts, which are recorded as temporarily restricted revenues until specified conditions are met. Temporarily restricted net assets as of June 30, 2020 are available only for the purpose granted by the donor and subject to the terms and condition of the related grants or awards.

CASA PROTEGIDA JULIA DE BURGOS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE H - COMMITMENTS AND CONTINGENCIES

(1) Operating Leases

CASA JULIA leases some programs facilities in Ponce and Aguadilla, Puerto Rico. These leases are month to month. Operating leases do not give rise to property rights or lease obligation, and therefore the results of lease agreement are not reflected in the CASA JULIA's property and equipment accounts. Rental expenses for all operating leases for the years ended June 30, 2020 was \$209,267.

(2) Federal and State Grants

CASA JULIA participates in various state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustments by the grantor agencies; therefore, refunds of any money received may be required. However, CASA JULIA's management expects such amounts, if any, to be immaterial.

NOTE I - SUPPLEMENTAL DISCLOSURE OF CASH FLOW STATEMENT

Interest Paid

Interest paid - \$5,256

NOTE J – SUBSEQUENT EVENTS

Subsequent events were evaluated through December 28, 2020, which was the date the financial statements were available to be issued.

CASA PROTEGIDA JULIA DE BURGOS, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL ASSISTANCE

FOR THE YEAR ENDED JUNE 30, 2020

Federal Grantor Pass-through Grantor Program Title	Federal CFDA Number	Grantor's Number	Federal Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:			
Continuum of Care Program	* 14.267		
Rapid Re-Housing		PR0025L4N021811	410,778
Permanent Housing (2018-2019)		PR0051L4N021706	44,489
Permanent Housing (2019-2020)		PR0051L4N021807	<u>186,291</u>
			641,558
Emergency Solutions Grants Program:			
<u>Pass-through the:</u>			
Municipality of Ponce (ESG)	14.231	N/A	<u>19,092</u>
			19,092
U.S. DEPARTMENT OF JUSTICE			
<u>Pass-through the Puerto Rico Department of Justice</u>			
Crime Victim Assistance	16.575	N/A	200,616
<u>Pass-through the Puerto Rico Office of Women Advocate</u>			
Violence Against Women Formula Grants	16.588	N/A	74,286
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<u>Pass-through the Puerto Rico Family Department</u>			
Family Violence Prevention and Services Grant for Battered Women's Shelters- Discretionary Grants	93.592	N/A	<u>130,221</u>
TOTAL FEDERAL FUNDS			<u>\$ 1,065,773</u>
Major Programs			\$ 641,558
Non-Major Programs			<u>\$ 424,215</u>
			<u>\$ 1,065,773</u>

* Denote Major Programs

The Accompanying Notes are an Integral Part of this Schedule of Expenditures of Federal Awards.

CASA PROTEGIDA JULIA DE BURGOS, INC.

NOTES TO SCHEDULE OF EXPENDITURES FEDERAL FINANCIAL ASSISTANCE

FOR THE YEAR ENDED JUNE 30, 2020

NOTE A – GENERAL

The accompanying schedule of expenditures of federal awards presents the expenditures, for the fiscal year ended June 30, 2020, of all the federal assisted programs of Casa Protegida Julia de Burgos, Inc.

NOTE B – ACCOUNTING BASIS

The schedule of expenditures of federal awards was prepared following the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Requirements for Federal Awards* (Uniform Guidance), Audits of States, Local Governments, and Non-Profit Organizations.

NOTE C – RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree with the amounts reported in the related federal financial reports. However, certain federal financial reports are filed based on cash expenditures. As such, certain timing differences may exist in the recognition of revenue and expenditures between the schedule of Expenditures of Federal Awards and the federal financial reports.

NOTE D – FEDERAL CFDA NUMBER

The Catalog of Federal Domestic Assistance (CFDA) number is a program identification number. The first two digits identify the federal department or agency that administers the program and the last three numbers are assigned by numerical sequence accordingly with the program name within the corresponding agency.

NOTE E – PASS-THROUGH GRANTOR'S NUMBER

State or local government and private entities includes within their federal proposal award the related amount of federal awards granted to CASA JULIA, also known as "pass-through awards". CASA JULIA should consider these federal funds as though they were received directly from the federal government. The Uniform Guidance requires that the schedule should include the name and the identifying number assigned for federal awards received as a subrecipient. Numbers identified as NA are not applicable or available.

CASA PROTEGIDA JULIA DE BURGOS, INC.

NOTES TO SCHEDULE OF EXPENDITURES FEDERAL FINANCIAL ASSISTANCE

FOR THE YEAR ENDED JUNE 30, 2020

**NOTE F – RELATIONSHIP TO THE STATEMENT OF ACTIVITIES
AND CHANGE IN NET ASSETS**

The reconciliation of expenses in the Statement of Activities and Changes in Net Assets to the total expenditures of Federal Awards in the Schedule of Expenditures of Federal Awards is as follows:

Expenses per Statement of Activities and Changes in Net Assets	\$ 1,655,433
Less: Non-Federal Expenditures and Depreciation in Federal Programs	626,136
Plus: Federal Expended Capitalized	<u>36,476</u>
Total Expenditures of Federal Awards in the Schedule of Expenditures of Federal Awards	<u>\$ 1,065,773</u>

NOTE G – MATCHING COSTS

Matching costs, such as the nonfederal share of certain program costs, are not included in the accompanying Schedule.

NOTE H – INDIRECT COSTS

The federal expenditures reported in the accompanying schedule did not include any indirect costs as defined by the Uniform Guidance.

NOTE I – PASS-THROUGH

No Federal grant has been passed-through to sub-recipient.



**INDEPENDENT AUDITORS' 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**

To the Board of Directors
Casa Protegida Julia de Burgos, Inc.
San Juan, Puerto Rico

We 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 Casa Protegida Julia de Burgos, Inc. (CASA JULIA) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 28, 2020.

Internal Control over Financial Reporting

In planning and performing our audit, we considered CASA JULIA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purposes of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the CASA JULIA Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

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 a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charges with governance.

Our consideration of internal control over financial reporting 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 our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**INDEPENDENT AUDITORS' 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
(CONTINUED)**

Compliance and Other Matter

As part of obtaining reasonable assurance about whether Casa Protegida Julia de Burgos, Inc.'s financial statements are free of material misstatement, we 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 our audit, and accordingly, we do not express such an opinion. The results of our 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 our 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.

San Juan, Puerto Rico
December 28, 2020

Díaz & Candelaria, P.S.C.

Díaz & Candelaria, PSC.

Licence No. 34, Expire December 1, 2022
The CPA Stamp No. E435232 of P.R. State
Society of Certified Public Accountants was
affixed to the record copy of this report.





**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS THAT COULD HAVE A DIRECT MATERIAL EFFECT ON EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors
Casa Protegida Julia de Burgos, Inc.
San Juan, Puerto Rico

Report on Compliance for Each Major Federal Program

We have audited Casa Protegida Julia de Burgos, Inc. (CASA JULIA) (a nonprofit organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Entity's major federal programs for the year ended as of June 30, 2020. The Entity'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 Reponsability

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

Auditor's Reponsability

Our responsibility is to express an opinion on compliance for each of the CASA JULIA's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the CASA JULIA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Corporation's compliance.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS THAT COULD HAVE A DIRECT MATERIAL EFFECT ON EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE
(CONTINUED)**

Opinion on Each Major Federal Program

In our opinion, CASA JULIA 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, 2020.

Report on Internal Control Over Compliance

Management of the CASA JULIA is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the CASA JULIA'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 the 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 The Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the CASA JULIA'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 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.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS THAT COULD HAVE A DIRECT MATERIAL EFFECT ON EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE
(CONTINUED)**

Our consideration of internal control over compliance was for the limited purpose described in the preceding 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. We did not identify any deficiencies in internal control over compliance that we 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 our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

San Juan, Puerto Rico
December 28, 2020

Díaz & Candelaria, P.S.C.

Díaz & Candelaria, P.S.C.

Licence No. 34, Expire December 1, 2022
The CPA Stamp No. E435233 of P.R. State
Society of Certified Public Accountants was
affixed to the record copy of this report.



CASA PROTEGIDA JULIA DE BURGOS, INC.

Schedule of Findings and Questioned Costs
For The Year Ended June 30, 2020

Section I - Summary of Auditors Results

Financial Statements

Types of auditors' report issued: Unmodified

Internal Control over financial reporting:

➤ Material Weakness (es) identified? No

➤ Significant deficiency (ies) identified that are not considered to be material weaknesses? No

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

➤ Material Weakness(es) identified? No

➤ Significant deficiency (ies) that are not considered to be material weaknesses? No

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Part 200.516(a) of Uniform Guidance? No

Mayor Program

CFDA Number(s)

Name of Federal Program(s)

14.267

U.S. Department of Housing and Urban Development:
Continuum of Care Program

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? Yes

CASA PROTEGIDA JULIA DE BURGOS, INC.

Schedule of Findings and Questioned Costs
For The Year Ended June 30, 2020

Section II - Financial Statements Findings

<u>Program</u>	<u>Findings / Non-Compliance</u>	<u>Questioned Costs</u>
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No findings in this section.

CASA PROTEGIDA JULIA DE BURGOS, INC.

Schedule of Findings and Questioned Costs
For The Year Ended June 30, 2020

Section III - Findings and Questioned Costs for Federal Awards

<u>Program</u>	<u>Findings / Non-Compliance</u>	<u>Questioned Costs</u>
	No findings in this section.	

CASA PROTEGIDA JULIA DE BURGOS, INC.

Summary Schedule of Prior Audit Findings
For The Year Ended June 30, 2020

<u>Program</u>	<u>Findings / Non-Compliance</u>	<u>Questioned Costs</u>
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No findings in this section.