

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

**AUDITED FINANCIAL STATEMENTS AND
REQUIRED SUPPLEMENTARY INFORMATION IN
ACCORDANCE WITH THE UNIFORM GUIDANCE
FOR THE YEAR ENDED JUNE 30, 2022
WITH INDEPENDENT AUDITORS' REPORT**

CASA PROTEGIDA JULIA DE BURGOS, INC.
FINANCIAL STATEMENTS
JUNE 30, 2022

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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

Opinion

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, 2022, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

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., as of June 30, 2022, 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of the report. We are required to be independent of Casa Protegida Julia de Burgos, Inc. organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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.

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS
(CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with the generally acceptable auditing standards and Government Auditing Standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Casa Protegida Julia de Burgos, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Casa Protegida Julia de Burgos, Inc.'s ability to continue as going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS
(CONTINUED)

Supplementary Information

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. The Schedule of expenditures of federal awards are the responsibility of management and were 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 January 26, 2023 on our consideration of Casa Protegida Julia de Burgos, Inc. 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 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 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 Casa Protegida Julia de Burgos, Inc. internal control over financial reporting and compliance.

San Juan, Puerto Rico
January 26, 2023

Díaz & Candelaria, P.S.C.

Díaz & Candelaria, CPA, PSC.

License No. 34, Expires December 1, 2025
The C.P.A. Stamp No. E506552, of the 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, 2022**

ASSETS

Cash	\$	358,898
Grants and Contracts Receivable		503,812
Prepayments		8,332
Total Current Assets		<u>871,042</u>
Property and Equipment, net		482,183
Deposits		18,367
Total Assets	\$	<u><u>1,371,592</u></u>

LIABILITIES AND NET ASSETS

Liabilities:

Accounts Payable	\$	103,076
Accrued Expenses		139,798
Deferred revenue		408,413
Notes Payable		164,780
Total Current Liabilities		<u>816,067</u>
Total Liabilities		<u>816,067</u>

Net Assets:

Without Donor Restrictions		555,525
Total Net Assets		<u>555,525</u>
Total Liabilities and Net Assets	\$	<u><u>1,371,592</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, 2022**

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUES AND OTHER SUPPORT			
Federal Grants	\$ -	\$ 1,497,336	\$ 1,497,336
State Grants	37,114	367,456	404,570
Private Grants	267,348	42,813	310,161
In-Kind Donated Material and Services	77,041	46,453	123,494
Interest	167	55	222
Fund Raising	7,935	-	7,935
Private Contributions	243,453	662	244,115
Loan Condonation	119,800	-	119,800
Other	61,662	-	61,662
Total Revenues and Other Support	814,520	1,954,775	2,769,295
NET ASSETS RELEASED FROM RESTRICTIONS			
Satisfaction of Program Restrictions	1,954,775	(1,954,775)	-
Total Revenues and Other Support	2,769,295	-	2,769,295
EXPENDITURES			
Ambulatory Services	324,689	-	324,689
Shelter and support to participants	973,134	-	973,134
Housing (Transition and Permanent)	753,075	-	753,075
General and Administrative	217,722	-	217,722
Total Expenditures	2,268,620	-	2,268,620
Excess of Expenditures Over Revenues	500,675	-	500,675
Net Assets, Beginning of Year	54,850	-	54,850
Net Assets, End of Year	\$ 555,525	-	\$ 555,525

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, 2022**

CASH FLOWS FROM OPERATING ACTIVITIES:

Changes in Net Assets	\$ 500,675
Adjustment to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation and amortization	76,627
Decrease (Increase) in:	
Grants and Contracts Receivable	(413,936)
Prepaid and Other Assets	(4,448)
Increase (Decrease) in:	
Accounts Payable and Accrued Expenses	71,984
Deferred Revenue	170,396
Net Cash Provided by Operating Activities	<u>281,498</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchases of equipment	(290,355)
Net Cash Used In Investing Activities	<u>(290,355)</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Principal payments on debt	(9,428)
Net Cash Used In Financing Activities	<u>(9,428)</u>

NET DECREASE IN CASH (18,285)

CASH AT BEGINNING OF YEAR 377,183

CASH AT END OF YEAR \$ 358,898

The Accompanying Notes are Integral Part of these Financial Statements.

CASA PROTEGIDA JULIA DE BURGOS, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Ambulatory Services</u>	<u>Shelter</u>	<u>Housing</u>	<u>General and Administrative</u>	<u>Total</u>
Personnel:					
Salaries	\$ 104,005	\$ 334,268	\$ 310,664	\$ 13,300	\$ 762,237
Payroll Taxes and Fringe Benefits	19,652	42,408	50,210	3,848	116,118
	<u>123,657</u>	<u>376,676</u>	<u>360,874</u>	<u>17,148</u>	<u>878,355</u>
Others Expenses:					
Professional Services - Administrative	14,451	40,805	35,749	16,857	107,862
Professional Services - Programmatic	3,005	205,726	62,123	7,901	278,755
Food	536	24,129	7,072	1,088	32,825
Medicines	604	2,874	461	290	4,229
Programs Supplies	125,410	109,134	8,915	22,221	265,680
Office Supplies	4,299	19,958	11,216	4,618	40,091
Electricity & Gas	128	29,632	170	-	29,930
Water Sewer	-	8,315	-	-	8,315
Telephone	1,286	11,093	1,608	1,890	15,877
Repairs and Maintenance	13,649	32,625	15,528	25,119	86,921
Insurance	1,948	4,434	2,160	3,510	12,052
Rent	5,471	23,919	167,169	568	197,127
Support to Participants	457	4,616	11,874	648	17,595
Minor Furniture and Fixture	5,753	5,834	3,969	1,930	17,486
Postage and Delivery	-	682	-	115	797
Training and Seminars	3,568	8,066	2,715	40	14,389
Advertising and promotion	8,138	-	-	4,376	12,514
Transportation Expenses	3,748	18,479	8,708	5,079	36,014
Other Expenses	1,508	-	-	537	2,045
Bank Services Charges	76	431	334	3,307	4,148
Interest Expenses	-	3,882	-	1,610	5,492
Depreciation and Amortization	6,997	41,824	5,977	21,829	76,627
	<u>201,032</u>	<u>596,458</u>	<u>345,748</u>	<u>123,533</u>	<u>1,266,771</u>
Services - In Kind	-	-	42,408	13,491	55,899
Food and Clothes - In Kind	-	-	4,045	63,550	67,595
Total Expenditures	<u>\$ 324,689</u>	<u>\$ 973,134</u>	<u>\$ 753,075</u>	<u>\$ 217,722</u>	<u>\$2,268,620</u>

The Accompanying Notes are Integral Part of these Financial Statements.

CASA PROTEGIDA JULIA DE BURGOS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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 primary 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 follows 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, 2022

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, 2022

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, 2022 the accrued vacations of \$34,016, 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, 2022, 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, 2022

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 2022, 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, 2022.

(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, 2022

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

(11) Concentration of Credit Risk

Financial instruments that potentially subject the Organization to the concentration of credit risk are cash and receivables. Concentration of credit risk concerning receivables is limited because a substantial portion of these balances is due from federal and state governmental agencies.

The Organization may be subject to credit risk to its cash, which is placed with a high credit quality financial institution. The Federal Deposit Insurance Corporation (“FDIC”) covers up to \$250,000 per financial institution, for substantially all depository accounts. The Organization has not experienced any losses in cash accounts and believes it is not exposed to any significant credit risk to cash. The Organization’s uninsured cash balance amounted to approximately \$307,540 as of June 30, 2022.

(12) Federal Awards

For the year ended June 30, 2022, the revenues received from federal awards in the form of grants were 54% of the total revenues and other supports. These funds are received directly from the federal government and pass-through entities and are subject to independent financial and compliance audits under the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (“*Uniform Guidance*”).

Federal grants are considered conditional gifts due to the strings and conditions attached to them by the federal government. Accordingly, significant federal grants receipts are accounted for as deferred revenue until the conditions imposed by the federal government have been substantially met which includes payment for goods and services.

(13) Deferred Revenue

Deferred revenue refers to use of the funds for products or services that are to be expended in the future. The Organization records unearned revenue (Deferred Revenue) as a liability on a statement of financial position because it refers to revenues that has not yet been earned. When the funds will be used for payments for products or services will be recorded as revenues on the statements of activities.

CASA PROTEGIDA JULIA DE BURGOS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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

(14) 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	\$ 358,898
Grant Receivable	<u>503,812</u>
Total Financial Assets Available Within One Year	<u>\$ 862,710</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	\$ 81,610
P.R. Department of Justice	307,855
P.R. Department of Family- Domestic Violence	26,382
Municipality of Ponce (ESG)	61,814
HUD – Continuum of Care	24,749
Others	<u>1,402</u>
Total	<u>\$ 503,812</u>

CASA PROTEGIDA JULIA DE BURGOS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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.	723,892
Equipment, Furniture and Fixtures	5 yrs.	337,018
Vehicles	5 yrs.	<u>355,308</u>
		1,517,478
Less: Accumulated Depreciation and Amortization		<u>1,035,295</u>
		<u>\$ 482,183</u>

NOTE E – ACCRUED EXPENSES

Accrued expenses as of June 30, 2022 consist of the following:

<u>Description</u>	<u>Amount</u>
Accrued Interests and Penalties on Mortgage	\$ 79,532
Accrued Vacations	34,016
Other Payroll Taxes	<u>26,250</u>
Total	<u>\$ 139,798</u>

CASA PROTEGIDA JULIA DE BURGOS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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, 2022 and a final lump-sum payment on April 2022; collateralized with the main office of CASA JULIA. This loan was due on April 2022 and the management is trying to renegotiate the balance.	<u>\$ 164,780</u>
Total	<u>\$ 164,780</u>
Less: Current Portion of Note Payable	<u>164,780</u>
Long-Term Debt	<u>\$ 0</u>

Scheduled maturities of notes payable outstanding at June 30, 2022 are as follows:

<u>Years Ending June 30,</u>	<u>Amount</u>
2023	<u>164,780</u>
Total note payable	<u>\$ 164,780</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, 2022 the amount of net assets released from restrictions amounted to \$1,954,775. 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, 2022 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, 2022

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, 2022 was \$197,127.

(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 - \$5,867

NOTE J – SUBSEQUENT EVENTS

Subsequent events were evaluated through January 26, 2023, 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, 2022

Federal Grantor Pass-through Grantor Program Title	Federal CFDA Number	Grantor's Number	Federal Expenditures	Pass-through to Subrecipients
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:				
Continuum of Care Program	* 14.267			
Rapid Re-Housing		PR0025L4N021811	424,128	-
Permanent Housing (2020-2021)		PR0051L4N021706	54,297	-
Permanent Housing (2021-2022)		PR0051L4N021807	169,988	-
			648,413	-
Emergency Solutions Grants Program:				
<u>Pass-through the:</u>				
Municipality of Ponce (ESG)	14.231	N/A	65,739	-
			65,739	-
U.S. DEPARTMENT OF JUSTICE				
<u>Pass-through the Puerto Rico Department of Justice</u>				
Crime Victim Assistance	* 16.575	N/A	341,977	-
<u>Pass-through the Puerto Rico Office of Women Advocate</u>				
Violence Against Women Formula Grants	* 16.588	N/A	78,504	-
Violence Against Women Formula Grants (CARES ACT)	* 16.588	N/A	138,683	-
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	132,333	-
Family Violence Prevention and Service/Domestic Violence Shelter and Supportive Services	93.671	N/A	67,947	-
Family Violence Prevention and Services Grant for Battered Women's Shelters-Discretionary Grants (CARES ACT)	93.592	N/A	23,740	-
TOTAL FEDERAL FUNDS			\$ 1,497,336	\$ -
Major Programs			\$ 1,207,577	
Non-Major Programs			\$ 289,759	
			\$ 1,497,336	

* 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, 2022

NOTE A – GENERAL

The accompanying schedule of expenditures of federal awards presents the expenditures, for the fiscal year ended June 30, 2022, 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 according 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, 2022

**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	\$ 2,268,620
Less: Non-Federal Expenditures and Depreciation in Federal Programs	903,797
Plus: Federal Expended Capitalized	<u>132,513</u>
Total Expenditures of Federal Awards in the Schedule of Expenditures of Federal Awards	<u>\$ 1,497,336</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, 2022, 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 January 26, 2023.

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
January 26, 2023

Díaz & Candelaria, P.S.C.



Díaz & Candelaria, PSC.

Licence No. 34, Expire December 1, 2025
The CPA Stamp No. E506553 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, 2022. 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, 2022.

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
January 26, 2023

Díaz & Candelaria, P.S.C.



Díaz & Candelaria, P.S.C.

Licence No. 34, Expire December 1, 2025
The CPA Stamp No. E506554 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

16.575

U.S. Department of Justice

Crime Victim Assistance

16.588

Violence Against Women

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, 2022**

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, 2022

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, 2022

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