



**FINANCIAL STATEMENTS AND  
REPORT OF INDEPENDENT  
CERTIFIED PUBLIC ACCOUNTANTS**

**CASA EL DORADO**

**June 30, 2016**

# CASA EL DORADO

June 30, 2016

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**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

**The Board of Directors  
CASA El Dorado**

We have audited the accompanying financial statements of CASA El Dorado, which comprise the statement of financial position as of June 30, 2016, 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 the 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CASA El Dorado as of June 30, 2016, and the changes in its net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Williams & Olds". The signature is written in a cursive, flowing style.

Sacramento, California  
September 6, 2016



# CASA EL DORADO

## STATEMENT OF FINANCIAL POSITION

June 30, 2016

### ASSETS

Cash and cash equivalents	\$	206,903
Accounts receivable		27,317
Investments - Note C		229,890
Prepaid expenses and deposits		11,342
Furniture and equipment, less accumulated depreciation of \$5,231		<u>3,549</u>

**TOTAL ASSETS** \$ 479,001

### LIABILITIES AND NET ASSETS

Accounts payable and accrued expenses	\$	17,335
Deferred revenue - Note B		<u>-</u>

**TOTAL LIABILITIES** 17,335

**COMMITMENTS AND CONTINGENCIES - Note E** -

### NET ASSETS - Note F

Unrestricted		
Undesignated		157,820
Designated		<u>283,870</u>
Total unrestricted net assets		<u>441,690</u>
Temporarily restricted net assets		<u>19,976</u>

**TOTAL NET ASSETS** 461,666

**TOTAL LIABILITIES AND NET ASSETS** \$ 479,001

See accompanying notes to the financial statements.

# CASA EL DORADO

## STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2016

	Unrestricted	Temporarily Restricted	Total
<b>PUBLIC SUPPORT AND REVENUE</b>			
Grants and contributions - Note B	\$ 302,522	\$ 19,418	\$ 321,940
Special events, less direct costs of \$41,081	150,425	-	150,425
Governmental contracts - Note E	63,027	-	63,027
In-kind contributions - Note D	44,250	-	44,250
Investment loss - Note C	(10,797)	-	(10,797)
Rental income	7,700	-	7,700
<i>Net assets released from restrictions:</i>	<u>9,750</u>	<u>(9,750)</u>	<u>-</u>
<b>TOTAL PUBLIC SUPPORT AND REVENUE</b>	<b>566,877</b>	<b>9,668</b>	<b>576,545</b>
<b>EXPENSES</b>			
Programs	449,714	-	449,714
General and administrative	45,132	-	45,132
Fundraising	<u>62,439</u>	<u>-</u>	<u>62,439</u>
<b>TOTAL EXPENSES</b>	<b><u>557,285</u></b>	<b><u>-</u></b>	<b><u>557,285</u></b>
<b>CHANGE IN NET ASSETS</b>	<b>9,592</b>	<b>9,668</b>	<b>19,260</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b><u>432,098</u></b>	<b><u>10,308</u></b>	<b><u>442,406</u></b>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 441,690</u></b>	<b><u>\$ 19,976</u></b>	<b><u>\$ 461,666</u></b>

See accompanying notes to the financial statements.

# CASA EL DORADO

## STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2016

	<u>Programs</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 235,532	\$ 29,462	\$ 34,262	\$ 299,256
Payroll taxes	21,025	2,661	2,927	26,613
Employee benefits	<u>17,657</u>	<u>2,235</u>	<u>2,459</u>	<u>22,351</u>
<b>TOTAL SALARIES AND RELATED EXPENSES</b>	274,214	34,358	39,648	348,220
Advocacy	54,770	-	-	54,770
Office expense	32,789	4,150	4,566	41,505
Occupancy	24,388	3,087	3,396	30,871
Legal and professional	25,395	-	-	25,395
Postage and printing	8,792	1,099	8,426	18,317
Training and recognition	9,740	590	4,428	14,758
Telephone	6,402	810	891	8,103
Advertising and promotion	6,361	805	886	8,052
Travel	3,557	198	198	3,953
Insurance	2,631	-	-	2,631
Depreciation	<u>675</u>	<u>35</u>	<u>-</u>	<u>710</u>
<b>TOTAL EXPENSES</b>	<u>\$ 449,714</u>	<u>\$ 45,132</u>	<u>\$ 62,439</u>	<u>\$ 557,285</u>

See accompanying notes to the financial statements.

# CASA EL DORADO

## STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2016

### CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ 19,260
<i>Adjustments to reconcile change in net assets to net cash provided by operating activities:</i>	
Depreciation	710
Unrealized loss on investments	(10,802)
Changes in:	
Accounts receivable	14,842
Prepaid expenses and deposits	(3,905)
Accounts payable and accrued expenses	5,738
Deferred revenue	(2,000)
	<u>3,873</u>

**NET CASH PROVIDED BY OPERATING ACTIVITIES** 23,843

### CASH FLOWS FROM INVESTING ACTIVITIES:

Purchases of furniture and equipment	-
Proceeds from sale of investments, net of purchases	<u>50,584</u>

**NET CASH PROVIDED BY INVESTING ACTIVITIES** 50,584

**NET INCREASE IN CASH AND CASH EQUIVALENTS** 74,427

**CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR** 132,476

**CASH AND CASH EQUIVALENTS AT END OF YEAR** \$ 206,903

### SUPPLEMENTARY INFORMATION:

No cash was paid for interest or income taxes during the year ended June 30, 2016.

See accompanying notes to the financial statements.

# CASA EL DORADO

## NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

### NOTE A - ORGANIZATION

CASA El Dorado (Court Appointed Special Advocates or “CASA”), founded in 1992, is a nonprofit corporation established for the purpose of recruiting, screening, training and supervising volunteers to represent the non-legal interest of children under the jurisdiction of the County of El Dorado. CASA encourages the increased community interest on the needs of these children to the general public as well as those persons, offices, agencies and institutions who provide services to abused, abandoned or neglected children and their families. Revenue sources include grants from county courts, contributions from the general public and various fundraising activities.

### NOTE B - SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The presentation follows the provisions of the Financial Accounting Standards Board of Accounting Standards (FASB) Accounting Standards Codification (ASC) 958. Under FASB ASC 958, CASA is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. As of June 30, 2016, CASA’s net assets consist of unrestricted and temporarily restricted net assets.

Cash and Cash Equivalents: For purposes of the Statement of Cash Flows, CASA considers all short-term, highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Fair Value Measurements: CASA measures fair value in accordance with FASB ASC 820-10, *Fair Value Measurements*. ASC 820-10 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820-10 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value, whereby level 1 uses quoted prices and active markets for identical assets or liabilities when determining fair market value; level 2 uses non active quoted prices for similar assets and liabilities that can be corroborated with market data; and level 3 uses unobservable information with little or no market data. CASA uses the active market (level 1) and non active market (level 2) approaches to measure fair value for its financial assets and liabilities.

Receivables: Accounts receivable consists of contributions and amounts owed to CASA under grants for expenses incurred through June 30, 2016. Management considers grants and contributions receivable to be fully collectible; therefore no allowance for doubtful accounts is deemed necessary. If amounts become uncollectible, they will be charged to operations when that determination is made.

# CASA EL DORADO

## NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

### **NOTE B - SIGNIFICANT ACCOUNTING POLICIES – continued**

**Property and Office Equipment:** CASA capitalizes purchases of property and equipment in excess of \$3,000. Property and equipment are stated at cost or, if donated, at the approximate fair value as of the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the property and equipment.

**Deferred Revenue:** Amounts collected in advance for future events are deferred and recognized in the period in which the event takes place.

**Contributions:** CASA records contributions as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (that is when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

**Donated Services and Facilities:** Donated services and facilities are recognized as public support and as a corresponding expense at the estimated fair value on the date donated. Donated services and facilities are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with these skills, and would otherwise be purchased by CASA.

**Income Taxes:** CASA El Dorado is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code for revenue generated from its exempt purpose activities.

**Uncertainty in Income Taxes:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires CASA to report information regarding its exposure to various tax positions taken. CASA has determined whether any tax positions have met the recognition threshold and have measured the exposure to those tax positions. Management believes that CASA has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal and state tax authorities generally have the right to examine and audit the previous three years of tax returns filed. Any interest or penalties assessed to CASA are recorded in operating expenses. No interest or penalties from federal or state tax authorities were recorded in the accompanying financial statements.

**Use of Estimates:** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

# CASA EL DORADO

## NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

### NOTE B - SIGNIFICANT ACCOUNTING POLICIES – continued

Functional Allocation of Expenses: Expenses that can be identified with a specific program or supporting service are charged directly to the related program or service. Expenses associated with more than one program or supporting service are allocated to functional categories using allocation methods appropriate to the nature of the expense.

Reclassifications: Certain prior year amounts have been reclassified for comparative purposes.

### NOTE C - INVESTMENTS

CASA's investments include mutual funds carried at fair value based on quoted prices in active markets and certificate of deposits with maturity dates greater than three months and money market funds carried at fair value based on non active quoted prices for similar assets (see Note B). Mutual funds are selected to maximize risk-adjusted appreciation through diversification across multiple asset classes, including both active and indexed security selection. Asset classes include domestic stocks, international stocks, bonds, and other classes.

The fair market values of investments are based on quoted market prices and are comprised of the following at June 30, 2016:

	<u>Fair Value</u>	<u>Cost</u>	<u>Unrealized Gain</u>
Mutual funds	<u>\$ 229,890</u>	<u>\$ 213,308</u>	<u>\$ 16,582</u>
Total	<u>\$ 229,890</u>	<u>\$ 213,308</u>	<u>\$ 16,582</u>

Investment income consists of the following for the year ending June 30, 2016:

Interest and dividends	\$ 10,578
Net realized and unrealized loss	(18,743)
Advisory fees	<u>(2,632)</u>
	<u>\$(10,797)</u>

### NOTE D - IN-KIND CONTRIBUTIONS

Many individuals volunteer their time and donate goods to assist CASA with program services and fundraising events. The value of the volunteer hours and donated goods was not readily determinable and therefore not reflected in the financial statements.

# CASA EL DORADO

## NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

### NOTE D - IN-KIND CONTRIBUTIONS - continued

CASA's contract with the Judicial Council of California requires a matching contribution of volunteer hours equal to 100% of the contract amount. The contract provides an hourly rate to be used in calculating the match amount. CASA recognized \$44,250 in volunteer hours pursuant to this contract in its financial statements for the year ending June 30, 2016.

### NOTE E - COMMITMENTS AND CONTINGENCIES

Office Leases: CASA leases its office facility under the terms of a noncancelable operating lease that expires on June 30, 2018. A portion of the leased space was subleased to an unaffiliated organization under an amended lease which expired on June 30, 2016 and was not renewed. Future minimum lease payments under the above operating lease is as follows at June 30, 2016:

	<u>Annual Rent</u>
2017	\$ 19,800
2018	<u>19,800</u>
	<u>\$ 39,600</u>

During the year ending June 30, 2016, rental expense amounted to \$19,800 and rental income under the sublease was \$7,700.

Government Grants and Contracts: CASA has received funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, management believes that any required reimbursements will not have a material adverse effect on its financial position.

### NOTE F - NET ASSETS

CASA's board of directors has set aside a portion of unrestricted net assets as designated with the goal of establishing a designated reserve sufficient to fund one year of operating expenses. At June 30, 2016, the board has set aside \$283,870 for this purpose.



# CASA EL DORADO

## NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

### **NOTE F - NET ASSETS - continued**

Temporarily restricted net assets are available for the following purposes at June 30, 2016:

Probation	\$	3,761
Youth Enrichment		10,133
Juvenile Treatment Center		2,197
Christmas		926
Money for Families		1,865
Transitional Support		583
Camp		65
South Lake Tahoe Teen		184
Crisis		
Other		262
		<hr/>
	\$	19,976

### **NOTE G - RETIREMENT PLAN**

CASA has established a defined contribution retirement plan under Internal Revenue Code Section 403(b) for its employees. The Plan does not provide for employer matching contributions.

### **NOTE H - SUBSEQUENT EVENTS**

In preparing the financial statements, management has evaluated events and transactions for potential recognition or disclosure through September 6, 2016, the date that the financial statements were available to be issued.