# CASA EL DORADO

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INDEPENDENT AUDITOR’S REPORT

To the Board of Directors,
Casa El Dorado

We have audited the accompanying financial statements of Casa El Dorado (a nonprofit organization) which comprise the statements of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements

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

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 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.
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, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Balarsky & Beebout, CPAs
Sacramento, CA
September 9, 2019
# CASA EL DORADO

## STATEMENTS OF FINANCIAL POSITION

June 30, 2019 and 2018

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$112,390</td>
<td>$49,098</td>
</tr>
<tr>
<td>Receivables</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants</td>
<td>39,919</td>
<td>51,299</td>
</tr>
<tr>
<td>Investments</td>
<td>323,824</td>
<td>228,171</td>
</tr>
<tr>
<td>Prepaid expenses and deposits</td>
<td>2,983</td>
<td>4,933</td>
</tr>
<tr>
<td>Furniture and equipment, less accumulated depreciation of $4,195 in 2019 and $3,485 in 2018</td>
<td>1,419</td>
<td>2,129</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>$480,535</strong></td>
<td><strong>$335,630</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES AND NET ASSETS</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$10,502</td>
<td>$6,886</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td><strong>10,502</strong></td>
<td><strong>6,886</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NET ASSETS</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Without donor restrictions</td>
<td>469,926</td>
<td>328,237</td>
</tr>
<tr>
<td>With donor restrictions</td>
<td>107</td>
<td>507</td>
</tr>
<tr>
<td><strong>TOTAL NET ASSETS</strong></td>
<td><strong>470,033</strong></td>
<td><strong>328,744</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TOTAL LIABILITIES AND NET ASSETS</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL LIABILITIES AND NET ASSETS</strong></td>
<td><strong>$480,535</strong></td>
<td><strong>$335,630</strong></td>
</tr>
</tbody>
</table>

See accompanying notes to the financial statements.
### CASA EL DORADO

**STATEMENTS OF ACTIVITIES**

For the Years Ended June 30, 2019 and 2018

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2019</th>
<th></th>
<th>June 30, 2018</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Without Donor</td>
<td>With Donor</td>
<td>Total</td>
<td>Without Donor</td>
</tr>
<tr>
<td>Grants and contributions</td>
<td>$270,145</td>
<td>$ -</td>
<td>$270,145</td>
<td>$150,993</td>
</tr>
<tr>
<td>Governmental contracts</td>
<td>283,113</td>
<td>-</td>
<td>283,113</td>
<td>250,215</td>
</tr>
<tr>
<td>In-kind contributions</td>
<td>227,484</td>
<td>-</td>
<td>227,484</td>
<td>197,716</td>
</tr>
<tr>
<td>Investment income</td>
<td>15,673</td>
<td>-</td>
<td>15,673</td>
<td>11,319</td>
</tr>
<tr>
<td><strong>Net assets released from restrictions:</strong></td>
<td>400</td>
<td>(400)</td>
<td>-</td>
<td>10,951</td>
</tr>
<tr>
<td><strong>TOTAL PUBLIC SUPPORT AND REVENUE</strong></td>
<td>919,516</td>
<td>(400)</td>
<td>919,116</td>
<td>749,485</td>
</tr>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Programs</td>
<td>666,193</td>
<td>-</td>
<td>666,193</td>
<td>732,651</td>
</tr>
<tr>
<td>General and administrative</td>
<td>49,733</td>
<td>-</td>
<td>49,733</td>
<td>54,774</td>
</tr>
<tr>
<td>Fundraising</td>
<td>61,901</td>
<td>-</td>
<td>61,901</td>
<td>74,678</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td>777,827</td>
<td>-</td>
<td>777,827</td>
<td>862,103</td>
</tr>
<tr>
<td><strong>CHANGE IN NET ASSETS</strong></td>
<td>141,689</td>
<td>(400)</td>
<td>141,289</td>
<td>(112,618)</td>
</tr>
<tr>
<td><strong>NET ASSETS AT BEGINNING OF YEAR</strong></td>
<td>328,237</td>
<td>507</td>
<td>328,744</td>
<td>440,855</td>
</tr>
<tr>
<td><strong>NET ASSETS AT END OF YEAR</strong></td>
<td>$469,926</td>
<td>$107</td>
<td>$470,033</td>
<td>$328,237</td>
</tr>
</tbody>
</table>

See accompanying notes to the financial statements.
## CASA EL DORADO

### STATEMENTS OF FUNCTIONAL EXPENSES

For the Years Ended June 30, 2019 and 2018

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2019</th>
<th></th>
<th></th>
<th>June 30, 2018</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Programs</td>
<td>Administrative</td>
<td>Fundraising</td>
<td>Total</td>
<td>Programs</td>
<td>Administrative</td>
</tr>
<tr>
<td>Salaries</td>
<td>$281,121</td>
<td>$35,164</td>
<td>$40,894</td>
<td>$357,179</td>
<td>$277,492</td>
<td>$34,710</td>
</tr>
<tr>
<td>Payroll taxes</td>
<td>24,286</td>
<td>3,074</td>
<td>3,382</td>
<td>30,742</td>
<td>24,705</td>
<td>3,127</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>21,024</td>
<td>2,662</td>
<td>2,928</td>
<td>26,614</td>
<td>25,206</td>
<td>3,191</td>
</tr>
<tr>
<td><strong>TOTAL SALARIES AND RELATED EXPENSES</strong></td>
<td>326,431</td>
<td>40,900</td>
<td>47,204</td>
<td>414,535</td>
<td>327,403</td>
<td>41,028</td>
</tr>
<tr>
<td>Advocacy - In kind</td>
<td>227,484</td>
<td>-</td>
<td>-</td>
<td>227,484</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Office expense</td>
<td>35,720</td>
<td>3,930</td>
<td>4,974</td>
<td>44,624</td>
<td>57,277</td>
<td>6,302</td>
</tr>
<tr>
<td>Advocacy support expenses</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>8,405</td>
<td>-</td>
</tr>
<tr>
<td>Occupancy</td>
<td>23,494</td>
<td>2,974</td>
<td>3,272</td>
<td>29,740</td>
<td>24,827</td>
<td>3,143</td>
</tr>
<tr>
<td>Training and recognition</td>
<td>18,837</td>
<td>992</td>
<td>4,957</td>
<td>24,792</td>
<td>5,374</td>
<td>326</td>
</tr>
<tr>
<td>Legal and professional</td>
<td>15,462</td>
<td>-</td>
<td>15,462</td>
<td>6,302</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Travel</td>
<td>8,302</td>
<td>462</td>
<td>462</td>
<td>9,226</td>
<td>10,740</td>
<td>598</td>
</tr>
<tr>
<td>Insurance</td>
<td>6,307</td>
<td>-</td>
<td>6,307</td>
<td>10,657</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Telephone</td>
<td>2,812</td>
<td>356</td>
<td>391</td>
<td>3,559</td>
<td>7,642</td>
<td>967</td>
</tr>
<tr>
<td>Postage and printing</td>
<td>669</td>
<td>84</td>
<td>641</td>
<td>1,394</td>
<td>11,219</td>
<td>1,402</td>
</tr>
<tr>
<td>Depreciation</td>
<td>675</td>
<td>35</td>
<td>-</td>
<td>710</td>
<td>675</td>
<td>35</td>
</tr>
<tr>
<td>Advertising and promotion</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>7,690</td>
<td>973</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td>$666,193</td>
<td>$49,733</td>
<td>$61,901</td>
<td>$777,827</td>
<td>$732,651</td>
<td>$54,774</td>
</tr>
</tbody>
</table>

See accompanying notes to the financial statements.
CASA EL DORADO

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2019 and 2018

CASH FLOWS FROM OPERATING ACTIVITIES:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in net assets</td>
<td>$141,289</td>
<td>$ (123,569)</td>
</tr>
</tbody>
</table>

Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation</td>
<td>710</td>
<td>710</td>
</tr>
<tr>
<td>Net realized and unrealized loss (gain) on investments</td>
<td>9,431</td>
<td>530</td>
</tr>
</tbody>
</table>

Changes in operating assets and liabilities:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receivables</td>
<td>11,380</td>
<td>30,902</td>
</tr>
<tr>
<td>Prepaid expenses and deposits</td>
<td>1,950</td>
<td>4,635</td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>3,616</td>
<td>(14,917)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>27,087</td>
<td>21,860</td>
</tr>
</tbody>
</table>

NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES | 168,376 | (101,709) |

CASH FLOWS FROM INVESTING ACTIVITIES:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchases of investments</td>
<td>(133,046)</td>
<td>(240,212)</td>
</tr>
<tr>
<td>Proceeds from sale of investments</td>
<td>27,962</td>
<td>329,103</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>(105,084)</td>
<td>88,891</td>
</tr>
</tbody>
</table>

NET CHANGE IN CASH AND CASH EQUIVALENTS | 63,292 | (12,818) |

CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | 49,098 | 61,916 |

CASH AND CASH EQUIVALENTS AT END OF YEAR | $112,390 | $49,098 |

See accompanying notes to the financial statements.
NOTE A - ORGANIZATION

CASA El Dorado (Court Appointed Special Advocates or “CASA”), founded in 1993, 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: Financial statement presentation follows the recommendations of the Financial Accounting Standards Board and reports information regarding its financial position and activities according to two classes of net assets: with donor restrictions, and without donor restrictions.

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.

Receivables: Receivables consist of expenditures under grants for which reimbursement has been requested but not yet received and contributions owed to CASA. 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.

Furniture and Equipment: CASA capitalizes purchases of furniture and equipment in excess of $3,000. Furniture 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 estimated useful lives of 5 to 7 years.

Revenue Recognition: CASA records contributions as with or without donor restrictions, depending on the existence or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in without donor restrictions 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 with donor restrictions 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), with donor restrictions net assets are reclassified to without donor restrictions net assets and reported in the statement of activities as net assets released from restrictions.

Revenues from grants and contracts are recognized primarily when qualifying expenditures are incurred or services are rendered.

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.
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.

Fair Value: CASA applies fair value accounting to all financial assets and liabilities and non-financial assets and liabilities that are recognized of disclosed at fair value in the financial statements on a recurring basis. Fair value is defined as the price that would be received from selling an asset or what would be paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy that prioritizes observable and unobservable inputs is used to measure fair value into three broad levels, as follows:

- **Level 1** uses unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities
- **Level 2** uses inputs other than quoted prices in active markets that are observable either directly or indirectly.
- **Level 3** uses unobservable information with little or no market data.

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.
NOTE C – INVESTMENTS AND FAIR VALUE MEASUREMENTS

Investments are stated at fair value based on quoted prices in active markets and are comprised of the following at June 30, 2019:

<table>
<thead>
<tr>
<th>Cost</th>
<th>Fair Value (Level 1)</th>
<th>Unrealized Gain (Loss)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exchange traded and closed-end funds</td>
<td>$106,192</td>
<td>$113,563</td>
</tr>
<tr>
<td>Mutual funds</td>
<td>210,171</td>
<td>210,261</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$316,363</strong></td>
<td><strong>$323,824</strong></td>
</tr>
</tbody>
</table>

Investments are stated at fair value based on quoted prices in active markets and are comprised of the following at June 30, 2018:

<table>
<thead>
<tr>
<th>Cost</th>
<th>Fair Value (Level 1)</th>
<th>Unrealized Gain (Loss)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exchange traded and closed-end funds</td>
<td>$79,550</td>
<td>$84,386</td>
</tr>
<tr>
<td>Mutual funds</td>
<td>138,567</td>
<td>143,785</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$218,117</strong></td>
<td><strong>$228,171</strong></td>
</tr>
</tbody>
</table>

Investment income consists of the following for the years ended June 30:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest and dividends</td>
<td>$9,494</td>
<td>$15,270</td>
</tr>
<tr>
<td>Unrealized gains (losses)</td>
<td>6,303</td>
<td>(20,493)</td>
</tr>
<tr>
<td>Realized loss</td>
<td>3,128</td>
<td>19,964</td>
</tr>
<tr>
<td>Advisory fees</td>
<td>(3,252)</td>
<td>(3,422)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$15,673</strong></td>
<td><strong>$11,319</strong></td>
</tr>
</tbody>
</table>

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.
NOTE D - IN-KIND CONTRIBUTIONS

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 $227,484 and $197,716 in volunteer hours pursuant to this contract in its financial statements for the years ended June 30, 2019 and 2018, respectively.

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, 2019. Rent expense under the office lease agreement amounted to $19,800 for each of the years ended June 30, 2019 and 2018. CASA continues to occupy the office facility on a month to month basis.

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 without donor restrictions net assets as designated with the goal of establishing a reserve sufficient to fund one year of operating expenses. At June 30, 2019 and 2018, the board set aside $323,824 and $228,171, respectively, for this purpose.

With donor restrictions net assets are restricted as to use and consist of the following at June 30:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Youth Enrichment</td>
<td>$107</td>
<td>$507</td>
</tr>
<tr>
<td></td>
<td>$107</td>
<td>$507</td>
</tr>
</tbody>
</table>

NOTE G - RETIREMENT PLAN

CASA has established a defined contribution retirement plan under Internal Revenue Code Section 401(k) that covers all eligible employees. Employees of age 21 or older are eligible to participate after three months of employment. Employer matching and profit sharing contributions may be made to the plan at the discretion of CASA’s Board of Directors. Employees become fully vested in any employer contributions after five years. No employer contributions were made during the years ended June 30, 2019 or 2018.

NOTE H - SUBSEQUENT EVENTS

In preparing the financial statements, management has evaluated events and transactions for potential recognition or disclosure through September 9, 2019.