

**CASA OF THE PIKES PEAK REGION, INC.**

**Financial Statements**

**For the Year Ended June 30, 2015**

**And**

**Independent Auditors' Report**

# **CASA OF THE PIKES PEAK REGION, INC.**

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
CASA of the Pikes Peak Region, Inc.

We have audited the accompanying financial statements of CASA of the Pikes Peak Region, Inc. which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 of the Pikes Peak Region, Inc. as of June 30, 2015, 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.

## **Report on Summarized Comparative Information**

We have previously audited CASA of the Pikes Peak Region, Inc.'s 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 17, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived

*Stockman Kast Ryan & Co., LLP*

September 16, 2015

# CASA OF THE PIKES PEAK REGION, INC.

## STATEMENT OF FINANCIAL POSITION

**JUNE 30, 2015 (with comparative totals for 2014)**

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	2015	2014
<b>ASSETS</b>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 228,470	\$ 332,027
Grants receivable	162,207	84,825
Pledges receivable, net	183,593	157,010
Accounts receivable	8,827	613
Prepaid expenses	<u>18,345</u>	<u>18,662</u>
Total current assets	601,442	593,137
INVESTMENTS	510,966	444,426
PLEDGES RECEIVABLE, NET	106,109	63,294
PROPERTY AND EQUIPMENT	<u>801,197</u>	<u>815,492</u>
TOTAL ASSETS	<u>\$ 2,019,714</u>	<u>\$ 1,916,349</u>
<b>LIABILITIES AND NET ASSETS</b>		
CURRENT LIABILITIES		
Accounts payable	\$ 31,588	\$ 33,671
Accrued liabilities	<u>34,494</u>	<u>25,040</u>
Total liabilities	<u>66,082</u>	<u>58,711</u>
NET ASSETS		
Unrestricted:		
Available for operations	1,305,653	1,298,865
Board designated for Endowment	135,746	137,205
Temporarily restricted	398,998	315,049
Permanently restricted	<u>113,235</u>	<u>106,519</u>
Total net assets	<u>1,953,632</u>	<u>1,857,638</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,019,714</u>	<u>\$ 1,916,349</u>

See notes to financial statements.

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## CASA OF THE PIKES PEAK REGION, INC.

### STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2015 (with comparative totals for 2014)

	2015			Total	2014 Total
	Unrestricted	Temporarily Restricted	Permanently Restricted		
<b>REVENUE</b>					
Government grants	\$ 790,538			\$ 790,538	\$ 763,438
Contributions and private grants	484,865	\$ 358,090	\$ 6,716	849,671	701,376
Light of Hope event	77,989	278,423		356,412	406,681
Program service fees	131,047			131,047	124,747
Investment income (loss)	(883)	(1,459)		(2,342)	59,138
Circle of Impact events (net of expenses of \$13,862 in 2015 and \$63,989 in 2014)	29,617	26,175		55,792	85,277
Net assets released from restriction	<u>577,280</u>	<u>(577,280)</u>			
<b>Total</b>	<u>2,090,453</u>	<u>83,949</u>	<u>6,716</u>	<u>2,181,118</u>	<u>2,140,657</u>
<b>EXPENSES</b>					
Program services					
Children's advocacy program	<u>1,732,121</u>	<u>—</u>	<u>—</u>	<u>1,732,121</u>	<u>1,636,519</u>
Supporting services					
Fundraising	220,458			220,458	212,128
General and administrative	<u>132,545</u>			<u>132,545</u>	<u>117,752</u>
<b>Total supporting services</b>	<u>353,003</u>	<u>—</u>	<u>—</u>	<u>353,003</u>	<u>329,880</u>
<b>Total</b>	<u>2,085,124</u>	<u>—</u>	<u>—</u>	<u>2,085,124</u>	<u>1,966,399</u>
<b>CHANGE IN NET ASSETS</b>	5,329	83,949	6,716	95,994	174,258
<b>NET ASSETS, Beginning of year, as restated</b>	<u>1,436,070</u>	<u>315,049</u>	<u>106,519</u>	<u>1,857,638</u>	<u>1,683,380</u>
<b>NET ASSETS, End of year</b>	<u>\$ 1,441,399</u>	<u>\$ 398,998</u>	<u>\$ 113,235</u>	<u>\$ 1,953,632</u>	<u>\$ 1,857,638</u>

See notes to financial statements.

# CASA OF THE PIKES PEAK REGION, INC.

## STATEMENT OF FUNCTIONAL EXPENSES

**FOR THE YEAR ENDED JUNE 30, 2015 (with comparative totals for 2014)**

	2015				2014 Total
	Program Services	Supporting Services		Total	
		Fundraising	General and Administrative		
Salaries and related costs	\$ 1,294,878	\$ 117,848	\$ 108,803	\$ 1,521,529	\$ 1,412,428
Advertising	64,360	3,395	736	68,491	45,436
Professional fees	53,576	5,489	2,688	61,753	40,716
Light of Hope		56,638		56,638	65,254
Utilities	43,421	3,028	2,194	48,643	47,174
Equipment repairs and maintenance	34,442	3,309	2,044	39,795	39,143
Depreciation	28,567	2,622	2,021	33,210	30,579
In-kind expenses	27,898	623	3,825	32,346	53,461
Milton Foster Childrens Fund expense	29,954			29,954	23,188
Volunteer maintenance	22,865	861	532	24,258	23,383
Building repairs and maintenance	19,290	1,639	1,218	22,147	25,989
Insurance	19,092	1,529	1,436	22,057	31,123
Office supplies	14,174	1,342	3,167	18,683	24,167
Postage and printing	12,674	2,477	771	15,922	16,504
Rent	15,114	460	343	15,917	13,233
Contract service	13,494	282	210	13,986	10,377
Donor appreciation	6,413	4,602	439	11,454	11,414
Dues and publications	7,809	1,482	536	9,827	9,007
Bank charges	6,750	313	276	7,339	7,365
Fall campaign and mail appeals		5,848		5,848	9,601
Licenses and fees	4,167	931	713	5,811	7,732
Business meetings	3,275	1,351	253	4,879	6,944
Travel	3,779	29	21	3,829	3,300
Cleaning	3,249	297	222	3,768	3,763
Indy Give		1,733		1,733	
Newsletter	1,419	130	96	1,645	1,092
Other	1,461	2,200	1	3,662	4,026
<b>TOTAL</b>	<b>\$ 1,732,121</b>	<b>\$ 220,458</b>	<b>\$ 132,545</b>	<b>\$ 2,085,124</b>	
<b>PERCENTAGE</b>	<b>83%</b>	<b>11%</b>	<b>6%</b>	<b>100%</b>	
<b>TOTAL - 2014</b>	<b>\$ 1,636,519</b>	<b>\$ 212,128</b>	<b>\$ 117,752</b>		<b>\$ 1,966,399</b>
<b>PERCENTAGE - 2014</b>	<b>83%</b>	<b>11%</b>	<b>6%</b>		<b>100%</b>

See notes to financial statements.

# CASA OF THE PIKES PEAK REGION, INC.

## STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED JUNE 30, 2015 (with comparative totals for 2014)**

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	2015	2014
OPERATING ACTIVITIES		
Change in net assets	\$ 95,994	\$ 174,258
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	33,210	30,579
Net unrealized and realized (gains) losses on investments	23,603	(48,578)
Changes in operating assets and liabilities:		
Grants receivable	(77,382)	94,338
Pledges receivable	(69,398)	6,340
Accounts receivable	(8,214)	119
Prepaid expenses	317	(9,217)
Accounts payable and accrued liabilities	<u>7,371</u>	<u>4,269</u>
Net cash provided by operating activities	<u>5,501</u>	<u>252,108</u>
INVESTING ACTIVITIES		
Purchases of long-term investments	(477,797)	(333,225)
Proceeds from sales of investments	387,654	368,666
Purchases of property and equipment	<u>(18,915)</u>	<u>(94,804)</u>
Net cash used in investing activities	<u>(109,058)</u>	<u>(59,363)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
	(103,557)	192,745
CASH AND CASH EQUIVALENTS, Beginning of year	<u>332,027</u>	<u>139,282</u>
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 228,470</u>	<u>\$ 332,027</u>

See notes to financial statements.

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# CASA OF THE PIKES PEAK REGION, INC.

## NOTES TO FINANCIAL STATEMENTS

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Nature of Operations** — CASA of the Pikes Peak Region, Inc. (CASA) was incorporated on October 27, 1988 as a non-profit organization that was established to help abused and neglected children in crisis who are under the care and protection of the juvenile court. As an advocate for these children, CASA works through the use of trained, citizen volunteers appointed by the juvenile court to assure each child has a safe, permanent home as expediently as possible. The volunteers work with individual children to represent their needs and interests. CASA services are provided in El Paso and Teller Counties covering the fourth Judicial District.

Within the Dependency and Neglect program (D&N) CASA supports efforts for abused victims through the following initiatives:

- *Life Long Links (LLL)* – LLL program conducts nationwide searches for, and interviews of, family members and other important people to ensure that foster children have continuity in relationships, information about their families and long-term connections for the future and possible permanent placements.
- *Fostering Futures* – Fostering Futures is a curriculum developed by the national Court Appointed Special Advocate Association that focuses on improving outcomes for older and emancipating youth (14-21 years of age) served by CASA volunteers.
- *Peer Coordinated Model (PCM)* – Peer Coordinators are experienced Advocates who take on the role of coach and mentor to other Advocates, adding another level of volunteer leadership to the organization and helping CASA build capacity to serve all children in need.
- *CME Reach Project* – CME Reach Project are family advocates working on "wrap around" planning for youth and families, a team approach focused on family voice and choice.

CASA programs also include:

- *Supervised Exchange & Parenting Time (SEPT)* – SEPT is a court-ordered service to protect children from witnessing high conflict parental disputes.
- *Children & Families in Transition (CFIT)* – CFIT educates parents about the effects of divorce on children.
- *Milton Foster Children's Fund (MFCF)* – MFCF provides foster children with opportunities not funded through existing agencies or programs allowing them to be nurtured, educated and enriched just like other children and grow into healthy, contributing adults.

The Hanger Project, a MFCF program, is a store with used clothing and accessories for adolescents in foster care. The adolescents may select five items per month. The teens also work in the store and learn job skills. CASA offers weekend classes on life skills and jobs/career building to strengthen their opportunities as they move toward adulthood.

**Basis of Presentation** — The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with generally accepted accounting principles of the United States of America (GAAP) and are presented on the basis of unrestricted, temporarily restricted, and permanently restricted net assets. Unrestricted net assets represent the expendable resources that are available for operations at management's discretion and include funds functioning as endowment through designation by the Board. Temporarily restricted net assets are those whose use by CASA has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by CASA in perpetuity.

The financial statements include certain prior-year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with CASA's financial statements for the year ended June 30, 2014, from which the summarized information was derived.

**Cash and Cash Equivalents** – CASA considers all liquid investments with original maturities of three months or less, and which are not held for investment purposes, to be cash equivalents. Cash and highly liquid financial instruments held for investment purposes, regardless of original length to maturity, are reported as investments and excluded from this definition.

**Grants Receivable** — Grants receivable are stated at unpaid balances. CASA considers its grants receivable to be fully collectible as of June 30, 2015 and 2014; accordingly, no allowance for doubtful accounts is considered necessary. The delinquency and collectability of receivables is determined on a case by case basis and receivables are charged to bad debt expense when determined to be uncollectible.

**Pledges Receivable** – Pledges receivable consist of unconditional promises to give that are expected to be collected in current and future periods. Pledges expected to be collected within one year are recorded at their estimated net realizable values. Pledges receivable expected to be collected in more than one year are recorded at the present value of their estimated future cash flows, computed using risk-adjusted interest rates. Amortization of the discount is included in contribution revenue. Pledges receivable are reported as either temporarily restricted or permanently restricted support unless the donor stipulations or circumstances surrounding the pledge make clear the donor intended it to be used to support activities in the current period. Management provides for probable uncollectable amounts through an allowance for uncollectable promises to give based on an assessment of the current status of individual receivables. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

**Investments and Investment Return** — Investments are carried at fair value in the statement of financial position. Net investment return consists of interest and dividend income and the realized and unrealized gains and losses on the investments, less investment management and custodial fees. Earnings on restricted investments are reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the earnings are recognized. All other earnings on donor restricted investments are recognized as an increase in temporarily restricted net assets according to the nature of the restrictions on the original gift. See Note 3 for additional information on fair value measurements.

**Property and Equipment** — Property and equipment are recorded at cost. Acquisitions in excess of \$1,000 are capitalized. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets, which range from 5-40 years. Cost of repairs and maintenance, which do not materially prolong the useful lives of the assets, are charged to expense when incurred.

**Revenue Recognition** — Contributions and grants are recognized when received or when an unconditional promise to give is received. CASA reports such gifts as restricted support and revenues if they are subject to time or donor-imposed restrictions. Temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and changes in net assets as net assets released from restrictions when a stipulated time restriction ends, purpose restriction is accomplished, or both.

Program service fees and other period related revenues are recognized in the period in which they relate.

**Donated Services and Materials** — Donated services and materials are recorded as both a revenue and expenditure in the accompanying statements of activities at their estimated values. Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donations.

During the years ended June 30, 2015 and 2014, CASA received contributed merchandise of \$33,596 and \$73,838, respectively, which was recognized as contribution revenue.

Additionally, numerous volunteers donate their time to the Organization's programs; no value has been reported in the financial statements as revenue or expense for this time.

**Functional Allocation of Expense** — The costs of providing various program and supporting services have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Use of Estimates** — The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect 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, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

**Income Taxes** — CASA is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, CASA qualifies for the charitable contribution deduction and has been classified as an organization other than a private foundation.

CASA believes that it does not have any uncertain tax positions that are material to the financial statements. Tax years that remain subject to examination include 2011 through the current period.

**Subsequent Events** — CASA has evaluated subsequent events for recognition or disclosure through the date of the Independent Auditors' Report, which is the date the financial statements were available for issuance.

## 2. PLEDGES RECEIVABLE

CASA has received unconditional pledges from the Light of Hope fundraising event which raises funds for general operating purposes. Unconditional pledges receivable at June 30 are as follows:

	<b>2015</b>	<b>2014</b>
Receivable in one year	\$ 223,517	\$ 196,442
Receivable in two to five years	<u>123,973</u>	<u>67,578</u>
Total	347,490	264,020
Less discount to net present value	7,864	4,284
Less allowance for uncollectible pledges receivable	<u>49,924</u>	<u>39,432</u>
Total	<u>\$ 289,702</u>	<u>\$ 220,304</u>

## 3. CONDITIONAL PLEDGE RECEIVABLE

CASA has received a \$20,000 pledge which is conditional upon CASA holding its Light of Hope fundraising event in 2016 and 2017. The pledge is due in \$10,000 installments upon holding each event.

## 4. INVESTMENTS AND FAIR VALUE MEASUREMENTS

CASA is required to use a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access.

Level 2: Prices determined using significant other observable inputs. Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Prices determined using significant unobservable inputs.

The investment's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following table sets forth by level, within the fair value hierarchy, CASA's financial instruments at fair value as of June 30:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>2015:</b>				
Cash and money market funds	\$ 38,877	\$ 38,877		
Exchange-traded funds				
Mutual funds:				
Domestic equity	194,212	194,212		
International equity	145,193	145,193		
Real estate	22,918	22,918		
Fixed income securities:				
Agency notes	46,904		\$ 46,904	
Corporate notes	62,272		62,272	
International notes	590		590	
Total	<u>\$ 510,966</u>	<u>\$ 401,200</u>	<u>\$ 109,766</u>	<u>\$ —</u>

<b>2014:</b>				
Cash and money market funds	\$ 28,366	\$ 28,366		
Exchange-traded funds	162,368	162,368		
Mutual funds:				
Domestic equity	118,356	118,356		
International equity	88,721	88,721		
Real estate	14,411	14,411		
Fixed income securities:				
Agency notes	19,549		\$ 19,549	
Corporate notes	12,655		12,655	
Total	<u>\$ 444,426</u>	<u>\$ 412,222</u>	<u>\$ 32,204</u>	<u>\$ —</u>

Investment income (loss) consisted of the following for the years ended June 30:

	2015	2014
Interest and dividends	\$ 21,261	\$ 10,560
Realized and unrealized gains (losses)	<u>(23,603)</u>	<u>48,578</u>
Net investment income (loss)	<u>\$ (2,342)</u>	<u>\$ 59,138</u>

**6. PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at June 30:

	<b>2015</b>	<b>2014</b>
Equipment and software	\$ 182,010	\$ 170,995
Building and building improvement	910,713	902,813
Land	<u>105,000</u>	<u>105,000</u>
Total	1,197,723	1,178,808
Less accumulated depreciation	<u>396,526</u>	<u>363,316</u>
Property and equipment, net	<u>\$ 801,197</u>	<u>\$ 815,492</u>

**7. ENDOWMENT FUNDS**

The Organization's endowment funds consist of unrestricted funds functioning as endowment through designations by the Board of the Organization and donor restricted endowment funds. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors and the Circle of Impact to function as endowments, are classified as reported based on the existence or absence of donor-imposed restrictions.

The State of Colorado has adopted an investment policy based on the Uniform Prudent Management of Institutional Funds Act (UPMIFA). CASA has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, CASA classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, and (b) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time of accumulation is added to the fund. The remaining portion of the donor-restricted endowment funds that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by CASA in a manner consistent with the standard of prudence prescribed by UPMIFA.

The Board has the ability to utilize the endowment funds in emergency situations. In order to spend these resources, 80% approval of the Board is required.

Endowment Net Asset Composition by Type of Fund as of June 30, 2015 is as follows:

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
Donor-restricted endowment funds		\$ 29,156	\$ 113,235	\$ 142,391
Board-designated endowment funds	<u>\$ 135,746</u>			<u>135,746</u>
Total funds	<u>\$ 135,746</u>	<u>\$ 29,156</u>	<u>\$ 113,235</u>	<u>\$ 278,137</u>

Changes in Endowment Net Assets for the year ended June 30, 2015 are as follows:

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
Endowment net assets, beginning of year	\$ 137,205	\$ 30,615	\$ 106,519	\$ 274,339
Investment return:				
Net appreciation (realized and unrealized) and investment income	(1,459)	(1,459)		(2,918)
Contributions	<u>                    </u>	<u>                    </u>	<u>6,716</u>	<u>6,716</u>
Endowment net assets, end of year	<u>\$ 135,746</u>	<u>\$ 29,156</u>	<u>\$ 113,235</u>	<u>\$ 278,137</u>

Endowment Net Asset Composition by Type of Fund as of June 30, 2014 is as follows:

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
Donor-restricted endowment funds		\$ 30,615	\$ 106,519	\$ 137,134
Board-designated endowment funds	<u>\$ 137,205</u>	<u>                    </u>	<u>                    </u>	<u>137,205</u>
Total funds	<u>\$ 137,205</u>	<u>\$ 30,615</u>	<u>\$ 106,519</u>	<u>\$ 274,339</u>

Changes in Endowment Net Assets for the year ended June 30, 2014 are as follows:

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
Endowment net assets, beginning of year	\$ 119,370	\$ 12,790	\$ 97,609	\$ 229,769
Investment return:				
Net appreciation (realized and unrealized) and investment income	17,835	17,825		35,660
Contributions	<u>                    </u>	<u>                    </u>	<u>8,910</u>	<u>8,910</u>
Endowment net assets, end of year	<u>\$ 137,205</u>	<u>\$ 30,615</u>	<u>\$ 106,519</u>	<u>\$ 274,339</u>

**2015                      2014**

**Permanently Restricted Net Assets**

The portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulation or by UPMIFA

\$ 113,235      \$ 106,519

**Temporarily Restricted Net Assets**

The portion of perpetual endowment funds subject to a time restriction under UPMIFA: Without purpose restriction

\$ 29,156      \$ 30,615

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires CASA to retain as a fund of perpetual duration. No deficiency existed as of June 30, 2015 and 2014.

CASA has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that CASA must hold in perpetuity or for a donor-specified period as well as board-designated funds. Under this policy the endowment assets are invested in a manner that is intended to produce maximum results while assuming a moderate level of investment risk. CASA expects its endowment funds, over time, to provide a rate of return sufficient to keep pace with the rate of inflation. Actual returns in any given year may vary from this amount.

CASA currently has a policy that suspends distribution from these funds to allow the fund to grow to a balance of \$1,000,000. In establishing this policy, CASA considered the long-term expected return on its endowment. This is consistent with CASA’s objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

**8. TEMPORARILY RESTRICTED NET ASSETS**

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

	<b>2015</b>	<b>2014</b>
Time restriction	\$ 289,702	\$ 220,304
Dependency and neglect	2,956	29,411
Foster care children's fund	77,184	34,719
Endowment	<u>29,156</u>	<u>30,615</u>
Total	<u>\$ 398,998</u>	<u>\$ 315,049</u>

**9. LINE OF CREDIT AGREEMENT**

CASA has a \$100,000 line of credit agreement with a commercial bank. The line of credit bears interest at 2.0% over prime and automatically renews with the consent of both parties each year. At June 30, 2015 and 2014 there were no outstanding borrowings under the line of credit agreement.

**10. EMPLOYEE BENEFIT PLAN**

CASA has a simple IRA plan for its employees in which CASA matches employee contributions up to 3% of salaries. Employer contributions amounted to \$24,053 and \$21,333 for the years ended June 30, 2015 and 2014, respectively.



## 11. LEASES

CASA has various leases for a copier, office space and phones with varying expirations through 2018. Rent expense under these leases for the years ended June 30, 2015 and 2014 was \$11,405 and \$6,228, respectively. As of June 30, 2015, future minimum lease payments under these operating leases are as follows:

2016	\$ 10,830
2017	10,140
2018	7,986
2019	5,172
Thereafter	<u>2,155</u>
Total minimum lease payments	<u>\$ 36,283</u>

## 12. CONCENTRATIONS, RISKS AND UNCERTAINTIES

CASA maintains its cash and cash equivalents in bank deposit accounts which, at times, exceed federally insured limits.

CASA has investments in money market accounts, exchange-traded funds, mutual funds and fixed income securities which it has placed with an investment management company. CASA invests in investment securities which are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that change in the values of investments will occur in the near term and that such changes could materially affect the recorded amount of investments in CASA's financial statements.

## 13. RELATED PARTY TRANSACTIONS

For the years ended June 30, 2015 and 2014, contributions from members of the Board of Directors were \$46,194 and \$55,485, respectively.