

**Court Appointed Special Advocates
of Santa Barbara County**

Audited Financial Statements

June 30, 2016

Court Appointed Special Advocates of Santa Barbara County

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Court Appointed Special Advocates of Santa Barbara County
2601 Skyway Drive, Suite A3
Santa Maria, California 93455

I have audited the accompanying financial statements of Court Appointed Special Advocates of Santa Barbara County (a nonprofit corporation), which comprise the statement of financial position as of June 30, 2016, the related statements of activities, functional expenses, and cash flows for the fiscal 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted the audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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 auditors' 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Court Appointed Special Advocates of Santa Barbara County as of June 30, 2016, and the changes in its net assets and its cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Lisa J. McGrath, CPA

Yachats, Oregon
July 29, 2016

Court Appointed Special Advocates of Santa Barbara County
Statement of Financial Position
June 30, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Assets			
Current assets			
Cash	\$ 378,355	\$ 76,293	\$ 454,648
Accounts receivable	56,200		56,200
Promises to give		53,793	53,793
Prepaid expenses and deposits	16,580	2,114	18,694
Total current assets	<u>451,135</u>	<u>132,200</u>	<u>583,335</u>
Fixed assets			
Fixed assets, at cost	363,518		363,518
Less: Accumulated depreciation	<u>(207,227)</u>		<u>(207,227)</u>
Net fixed assets	<u>156,291</u>		<u>156,291</u>
Other assets			
Investments	305,517		305,517
Promises to give, long-term portion		19,292	19,292
Total other assets	<u>305,517</u>	<u>19,292</u>	<u>324,809</u>
Total assets	<u>\$ 912,943</u>	<u>\$ 151,492</u>	<u>\$ 1,064,435</u>
Liabilities and net assets			
Current liabilities			
Accounts payable	\$ 7,577	\$ -	\$ 7,577
Payroll liabilities	69,696		69,696
Deferred revenue	10,000		10,000
Total current liabilities	<u>87,273</u>		<u>87,273</u>
Net assets			
Unrestricted			
Undesignated	825,670		825,670
Temporarily restricted		151,492	151,492
Total net assets	<u>825,670</u>	<u>151,492</u>	<u>977,162</u>
Total liabilities and net assets	<u>\$ 912,943</u>	<u>\$ 151,492</u>	<u>\$ 1,064,435</u>

The accompanying notes are an integral part of these financial statements.

Court Appointed Special Advocates of Santa Barbara County
Statement of Activities
Fiscal Year Ended June 30, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support:			
Grants	\$ 575,500	\$ 2,500	\$ 578,000
Government grants	102,450		102,450
Contributions	245,375	4,077	249,452
Promises to give		36,304	36,304
Contributions in-kind	858,996	55,645	914,641
Total support	<u>1,782,321</u>	<u>98,526</u>	<u>1,880,847</u>
Revenues:			
Special events (net of direct costs)	103,719		103,719
Interest	633		633
Investment income	3,397		3,397
Loss on disposal of fixed assets	(1,586)		(1,586)
Miscellaneous	243		243
Total revenues	<u>106,406</u>	<u>-</u>	<u>106,406</u>
Total support and revenues	1,888,727	98,526	1,987,253
Reclassifications:			
Temporarily restricted net assets released from restrictions	<u>102,066</u>	<u>(102,066)</u>	
Total support, revenues and reclassifications	<u>1,990,793</u>	<u>(3,540)</u>	<u>1,987,253</u>
Expenses:			
Program services:			
Advocate program	1,624,515		1,624,515
Support services:			
Management and general	121,531		121,531
Fund raising	217,189		217,189
Total expenses	<u>1,963,235</u>		<u>1,963,235</u>
Increase (decrease) in net assets	<u>27,558</u>	<u>(3,540)</u>	<u>24,018</u>
Net assets at beginning of fiscal year	<u>798,112</u>	<u>155,032</u>	<u>953,144</u>
Net assets at end of fiscal year	<u>\$ 825,670</u>	<u>\$ 151,492</u>	<u>\$ 977,162</u>

The accompanying notes are an integral part of these financial statements.

Court Appointed Special Advocates of Santa Barbara County
Statement of Functional Expenses for Program and Support Services
Fiscal Year Ended June 30, 2016

	Program	Support Services		Total
	Services	Management	Fund	
	Advocate	and General	Raising	
	Program			
Salaries and wages	\$ 482,406	\$ 67,918	\$ 67,919	\$ 618,243
Payroll taxes	39,550	5,568	5,568	50,686
Employee benefits	51,760	7,287	7,287	66,334
Workers' compensation	2,979	419	419	3,817
Total personnel costs	576,695	81,192	81,193	739,080
Advocate appreciation	26,370			26,370
Audit and accounting	6,882	6,882	6,881	20,645
Bank fees	3,206	601	201	4,008
Contract labor	1,285	112	11,183	12,580
Donor cultivation			5,955	5,955
Dues and subscriptions	1,527	382		1,909
Education and conferences		10,434		10,434
Equipment rental	2,163	406	135	2,704
Insurance	7,018	1,316	439	8,773
Kid's Fund	16,425			16,425
Licenses, fees, taxes		2,013		2,013
Meetings		236		236
Mileage	9,095		5,985	15,080
Miscellaneous	181	160		341
Office supplies	2,072	388	130	2,590
Payroll service fees	1,938	273	273	2,484
Postage	932	411	1,872	3,215
Printing and reproduction	769	245	13,483	14,497
Public awareness	10,310			10,310
Recognition, board and staff	3,109			3,109
Rent	26,092	4,892	1,631	32,615
Maintenance and utilities	14,644	2,746	915	18,305
Special events direct costs			124,604	124,604
Supplies	6,413		1,185	7,598
Telephone	29,272	2,389	796	32,457
Travel	21			21
Vehicle	2,560			2,560
Volunteer expenses	31,507			31,507
Subtotal expenses	780,486	115,078	256,861	1,152,425
Contributions in-kind	822,938	2,498	83,614	909,050
Depreciation	21,091	3,955	1,318	26,364
Less special event direct costs			(124,604)	(124,604)
Total expenses	\$ 1,624,515	\$ 121,531	\$217,189	\$ 1,963,235
Percent of total expenses	83%	6%	11%	100%

The accompanying notes are an integral part of these financial statements.

Court Appointed Special Advocates of Santa Barbara County
Statement of Cash Flows
Fiscal Year Ended June 30, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Cash flows from operating activities			
Increase (decrease) in net assets	\$ 27,558	\$ (3,540)	\$ 24,018
Adjustment to reconcile increase (decrease) in net assets to net cash provided by operating activities:			
Depreciation	26,364		26,364
Loss on sale of investments	180		180
Unrealized gain on investments	(1,445)		(1,445)
Loss on disposal of fixed assets	1,586		1,586
Changes in operating assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	(9,810)		(9,810)
Promises to give		2,387	2,387
Prepaid expenses and deposits	(1,620)	5,093	3,473
Increase (decrease) in:			
Accounts payable	357		357
Payroll liabilities	4,758		4,758
Deferred revenue	10,000		10,000
Net cash provided by operating activities	<u>57,928</u>	<u>3,940</u>	<u>61,868</u>
Cash flows from investing activities			
Purchases of fixed assets	(21,771)		(21,771)
Purchases of investments	(113,134)		(113,134)
Sales of investments	105,411		105,411
Net cash used by investing activities	<u>(29,494)</u>		<u>(29,494)</u>
Net increase in cash and equivalents	28,434	3,940	32,374
Cash and cash equivalents at beginning of fiscal year	<u>349,921</u>	<u>72,353</u>	<u>422,274</u>
Cash and cash equivalents at end of fiscal year	<u>\$ 378,355</u>	<u>\$ 76,293</u>	<u>\$ 454,648</u>
 Schedule of noncash transactions:			
Investments, donated stock	<u>\$ 5,591</u>		

The accompanying notes are an integral part of these financial statements.

Note 1 - Significant Accounting Policies

The following is a summary of significant accounting policies followed in the preparation of these financial statements. The policies conform to accounting principles generally accepted in the United States of America applicable to voluntary health and welfare organizations and have been consistently applied.

Nature of operations

Court Appointed Special Advocates (CASA) of Santa Barbara County, is a California nonprofit corporation whose mission is to assure a safe, permanent, nurturing home for every abused and/or neglected child by providing a highly-trained volunteer to advocate for them in the court system. CASA serves children in Santa Barbara County, and derives its revenues primarily from grants, contributions, and fund raising.

Description of programs

Advocate program - Works to prevent abused, neglected, and abandoned children from becoming lost in the Juvenile Dependency system, and finds them safe, permanent homes as quickly as possible, by carefully pairing a CASA volunteer advocate with a child to ensure that the child's best interest is served. The advocate spends time with the child, gathers relevant information, assesses the child's needs, writes reports for the juvenile court judge, and attends all court hearings regarding the child until a suitable, nurturing, permanent home is obtained.

Management and General - Includes the functions necessary to maintain the Organization's support program; ensure an adequate working environment; provide coordination and articulation of the Organization's program strategy through the office of the executive director; secure proper administrative functioning of the board of directors; maintain competent legal services for the program administration of the Organization; and manage the financial and budgetary responsibilities of the Organization.

Fund raising - Provides the structure necessary to encourage and secure private financial support from individuals, foundations, and businesses.

Basis of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other accruals.

Basis of presentation

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that can be fulfilled by actions of the Organization pursuant to those stipulations, or that expire by the passage of time. CASA currently has contributions temporarily restricted for a specific purpose.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of such assets permit the Organization to use all or part of the income earned on the assets. CASA does not currently have any permanently restricted net assets.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses

The costs of providing the various programs have been summarized on a functional basis in the statement of activities and the statement of functional expenses. Accordingly, certain management and general expenses have been allocated among the program and supporting services benefited.

Subsequent events

Management has evaluated subsequent events through July 29, 2016, which was the date the financial statements were available to be issued.

Advertising costs

Advertising costs intended to solicit revenue in an exchange transaction are recorded as management and general expenses in the period incurred.

Note 1 - Significant Accounting Policies (continued)

Tax status

CASA has been determined to be exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code. CASA qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). With few exceptions, CASA is no longer subject to U.S. federal and state income tax examinations by tax authorities for fiscal years before July 1, 2012.

Cash

All short-term investments with original maturities of three months or less are considered to be cash equivalents.

Accounts receivable and allowance for doubtful accounts

Receivables are accounted for on the accrual basis and become past due after 30 days. No allowance for uncollectable accounts has been provided, as CASA typically collects all outstanding amounts. Trade receivables are written off if all efforts at collection have failed and management determines that collection is unlikely.

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Fixed assets

Purchases of fixed assets costing \$1,000 or more are capitalized. Donated fixed assets valued at \$1,000 or more are capitalized and recorded at fair value at the time of receipt. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. The cost and accumulated depreciation of property sold or retired is removed from the related asset and accumulated depreciation accounts and any resulting gain or loss is recorded in the fiscal year of disposal. Depreciation is calculated utilizing the straight-line method over the estimated useful lives of the assets, that range from five to seven years for furniture and equipment, and 20 years for leasehold improvements.

Donations of fixed assets

Donations of property and equipment (long-lived assets) that do not have donor imposed stipulations about how long the property must be used are recorded as unrestricted contributions in the fiscal year received.

Investments

Investments consist of bank certificates of deposit and U.S. Treasury securities with readily determinable fair values, presented at fair value in the statement of financial position. Realized and unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

Revenue recognition

Grants and contributions are recognized as revenue when received, or receivables if the amount to be received can be reasonably estimated and collection is reasonably assured, under the accrual method of accounting. All other revenues and expenditures are recorded when earned.

Deferred revenue

Special events receipts are recognized as revenue in the fiscal year they are earned. Amounts collected or billed for future fiscal years are recorded as deferred revenue.

Contributed services

CASA records the fair value of contributed services in the financial statements if the services either (a) create or enhance a nonfinancial asset or (b) require specialized skills; are provided by persons possessing those skills; and would need to be purchased if they were not donated as required by ASC 958. CASA's volunteer advocates' contributed services meet these recognition requirements and are included in in-kind contributions. See Note 12 for details.

Restricted and unrestricted revenue

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Fair value measurements

FASB ASC 820, Fair Value Measurements and Disclosures, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure 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 under FASB ASC 820 are described as follows:

Level 1. Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that CASA has the ability to access.

Level 2. 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. Inputs to valuation methodology are unobservable and significant to the fair value measurement.

The 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. However, level 1 inputs are not available for some of the assets that the organization is required to measure at fair value (for example, in-kind contributions).

The primary uses of fair value measures in CASA's financial statements are as follows:

Initial measurement of in-kind contributions.

Recurring measurement of investments in U.S. Treasury securities, and certificates of deposit.

Note 2 - Cash

Cash and money market funds are held in separate bank and investment accounts. Cash deposits insured by the federal government totaled \$333,683, and uninsured deposits totaled \$127,627, at June 30, 2016. Cash consisted of the following at June 30, 2016:

Montecito Bank & Trust	\$ 370,490
Bank of Santa Barbara	58,907
Community Bank of Santa Maria	24,751
Petty cash	500
	<hr/>
Subtotal cash in banks and on hand	454,648
Less temporarily restricted cash	76,293
	<hr/>
Total operating cash	<u>\$ 378,355</u>

Court Appointed Special Advocates of Santa Barbara County
Notes to the Financial Statements
Fiscal Year Ended June 30, 2016

Note 3 - Concentrations

Concentrations of accounts receivable are as follows:

	<u>Amount</u>	<u>% of Total</u>
California Judicial Council	\$ 36,617	65%
All other	19,583	35%
Total accounts receivable	<u>\$ 56,200</u>	<u>100%</u>

Concentrations of support and revenues are as follows:

Foundation grants	\$ 578,000	29.09%
Government grants	102,450	5.16%
Contributions	249,452	12.55%
Promises to give	36,304	1.83%
Special events	103,719	5.22%
In-kind contributions	914,641	46.03%
Other	2,687	0.14%
Total support and revenues	<u>\$ 1,987,253</u>	<u>100.02%</u>

Note 4 - Promises to Give

Unconditional promises to give consists of multiple year contributions from individuals at June 30, 2016. Unconditional promises to give are discounted at 3% and are due by 2022, as described below:

	<u>Short-term</u>	<u>Long-term</u>	<u>Discount Long-term</u>	<u>Net Long-term</u>	<u>Total</u>
Contributions	\$ 53,793	\$ 20,300	\$ (1,008)	\$ 19,292	\$ 73,085

Note 5 - Prepaid Expenses and Deposits

Prepaid expenses and deposits consisted of the following at June 30, 2016:

Prepaid insurance	\$ 12,279
Prepaid dues and postage	1,301
Kids Fund gift cards	2,114
Deposits	3,000
Total prepaid expenses and deposits	<u>\$ 18,694</u>

Note 6 - Fixed Assets

Fixed assets activity for the fiscal year ended June 30, 2016, is detailed in the following schedule.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Leasehold improvements	\$ 163,281	\$ -	\$ -	\$ 163,281
Furniture and fixtures	89,662	2,185		91,847
Computer equipment	55,136	2,485		57,621
Website and software	5,010	17,101	(5,010)	17,101
Vehicle	33,668			33,668
Fixed assets at cost	<u>346,757</u>	<u>21,771</u>	<u>(5,010)</u>	<u>363,518</u>
Less: Accumulated depreciation	184,287	26,364	(3,424)	207,227
Net fixed assets	<u>\$ 162,470</u>	<u>\$ (4,593)</u>	<u>\$ (1,586)</u>	<u>\$ 156,291</u>

Court Appointed Special Advocates of Santa Barbara County
Notes to the Financial Statements
Fiscal Year Ended June 30, 2016

Note 7 - Investments

The cost basis of investments, and cumulative gains and losses at June 30, 2016, is as follows:

	<u>Cost</u>	<u>Fair Value</u>
Investments in marketable securities:		
Money market funds	\$ 107,517	\$ 107,517
Certificates of deposit	50,000	50,025
U.S. Treasury obligations	146,121	147,825
Accrued interest	150	150
Total investments	<u>303,788</u>	<u>\$ 305,517</u>
Cumulative unrealized gains	1,729	
Investments at fair value	<u>\$ 305,517</u>	

Investment income for the fiscal year ended June 30, 2016, consisted of the following:

Interest and dividends	\$ 2,282
Investment fees	(150)
Realized loss	(180)
Unrealized gains	1,445
Net investment income	<u>\$ 3,397</u>

Note 8 - Fair Value Measurements

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2016.

Exchange-traded certificates of deposit: Determined by the closing bid price on the last business day of the fiscal year if actively traded, and include accrued interest.

U.S. Department of Treasury obligations: Determined by the closing bid price on the last business day of the fiscal year if actively traded.

The following table sets forth, by level within the fair value hierarchy, CASA's assets at fair value at June 30, 2016.

	<u>Total</u>	<u>Quoted Prices in Active Markets for Identical Assets Level 1</u>	<u>Significant other Observable Inputs Level 2</u>	<u>Significant Unobservable Inputs Level 3</u>
Investments in marketable securities:				
Money market funds	\$ 107,517	\$ 107,517	\$ -	\$ -
Certificates of deposit	50,025	50,025		
U.S. Treasury securities	147,825	147,825		
Accrued interest	150	150		
Total assets stated at fair value	<u>\$ 305,517</u>	<u>\$ 305,517</u>	<u>\$ -</u>	<u>\$ -</u>

There were no significant transfers between the levels during the year, although some investments moved into Level 2 when the market for them became less active. CASA's policy is to recognize transfers in and out of levels at the end of the fiscal year; interim changes in the availability of fair value inputs are not recognized.

Court Appointed Special Advocates of Santa Barbara County
Notes to the Financial Statements
Fiscal Year Ended June 30, 2016

Note 9 - Operating Leases

CASA leases office space, storage space, and office equipment under month-to-month leases, and operating leases that mature in 2017 to 2021. Rent expense for the fiscal year ended June 30, 2016 totaled \$35,319. Future minimum rental payments required for the leases are as follows:

Fiscal year ended June 30,	
2017	\$ 42,194
2018	42,558
2019	21,755
2020	972
2021	567
Total	<u>\$ 108,046</u>

Note 10 - Temporarily Restricted Net Assets

Temporarily restricted net assets consists of monies received during the fiscal year, and temporarily restricted for a specific purpose or period of time. Activity for temporarily restricted net assets for the fiscal year ended June 30, 2016, is detailed in the following schedule.

Temporarily restricted net assets:	Beginning Balance	Funds Received	Funds Released	Ending Balance
Building improvements	\$ 15,800	\$ -	\$ -	\$ 15,800
Kid's Fund	25,904	62,222	(63,375)	24,751
Friends of CASA	37,856			37,856
Promises to give	75,472	36,304	(38,691)	73,085
	<u>\$ 155,032</u>	<u>\$ 98,526</u>	<u>\$ (102,066)</u>	<u>\$ 151,492</u>

Note 11 - Special Events

CASA conducted three special events during the fiscal year as part of its fund raising efforts. Activity for the special events excluding contributions is detailed below.

Special events:	Receipts	Direct Costs	Net Proceeds
CASA by the Sea	\$ 112,625	\$ 43,847	\$ 68,778
CASA at the Vineyard	115,130	63,668	51,462
Directors Dinner	568	17,089	(16,521)
Total	<u>\$ 228,323</u>	<u>\$ 124,604</u>	<u>\$ 103,719</u>

The above special events generated contributions, promises to give, and in-kind contributions, that are recorded in separate line items on the accompanying statement of activities. See Note 12 for in-kind contributions for the special events. The following schedule consists of the above special events detail plus contributions, promises to give, and in-kind contributions attributed to each event, to provide more information about special events. This schedule is for the purpose of additional analysis only.

Special events:	Contributions & Receipts	Direct Costs	Net Proceeds
CASA by the Sea	\$ 195,267	\$ 84,156	\$ 111,111
CASA at the Vineyard	164,500	99,825	64,675
Directors Dinner	42,771	22,989	19,782
Total	<u>\$ 402,538</u>	<u>\$ 206,970</u>	<u>\$ 195,568</u>

Court Appointed Special Advocates of Santa Barbara County
Notes to the Financial Statements
Fiscal Year Ended June 30, 2016

Note 12 - Contributions In-kind

During the fiscal year ended June 30, 2016, volunteer court appointed special advocates provided 27,508.2 hours of professional services valued at \$26.34 per hour for the first two months, and \$26.87 for the last ten months of the fiscal year, according to California Judicial Council's annual valuation. CASA also received office space, advertising, and auction items for special events as in-kind contributions. Contributions in-kind for the fiscal year ended June 30, 2016, are as follows:

Court appointed special advocates services	\$ 739,145
Office and storage space	24,968
Kid's Fund toys, clothing, quilts, tickets, books	55,645
Special events wine, and auction items	82,366
Donated stock	5,591
Other materials and supplies	6,926
	<hr/>
Total contributions in-kind revenue	914,641
Less; donated stock recorded as an asset	(5,591)
	<hr/>
Total contributions in-kind expense	<u>\$ 909,050</u>

Note 13 - Concentrations of Risk

Amounts held in financial institutions were in excess of the Federal Deposit Insurance Corporation and Securities Investor Protection Corporation limits by \$127,627 at June 30, 2016. CASA deposits its cash with high quality financial institutions and management believes CASA is not exposed to significant credit risk on those amounts.

The majority of CASA's contributions and grants are received from individuals, foundations, and businesses located in the greater Santa Barbara metropolitan area and from an agency of the State of California. As such, CASA's ability to generate resources via contributions and grants is dependent upon the economic health of that area and of the County of Santa Barbara. An economic downturn could cause a decrease in contributions and grants that coincides with an increase in demand for CASA's services.

CASA's investments are subject to various risks, such as interest rate, credit, and overall market volatility risks. Further, because of the significance of the investments to CASA's financial position and the level of risk inherent in most investments, it is reasonably possible that changes in the values of these investments could occur in the near term and such changes could materially affect the amounts reported in the financial statements. Management is of the opinion that the diversification of its invested assets among the various asset classes (see Notes 7 and 8) should mitigate the impact of changes in any one class.

Note 14 - Related Party Transactions

One board director is a 50% shareholder of a company that own 63% of the limited liability company that provides telephone and internet services to CASA. The amount paid to this company during the fiscal year totaled \$27,797. CASA received \$8,700 from this company as special event sponsorships and contributions.