

**CASA PACIFICA CENTERS FOR
CHILDREN AND FAMILIES**

**SINGLE AUDIT REPORTS
AND FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2011

CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES
(A California Non-Profit Corporation)
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Casa Pacifica Centers for Children and Families (CPCCF)
(A California Non-Profit Corporation)
Camarillo, California

We have audited the accompanying statement of financial position of Casa Pacifica Centers for Children and Families (A California Non-Profit Corporation) as of June 30, 2011 and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of Casa Pacifica Centers for Children and Families' management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Casa Pacifica Centers for Children and Families financial statements and, in our report dated November 24, 2010, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Casa Pacifica Centers for Children and Families' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Casa Pacifica Centers for Children and Families as of June 30, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2011, on our consideration of Casa Pacifica Centers for Children and Families' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Casa Pacifica Centers for Children and Families taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information was prepared according to the accounting principles used for the basic financial statements and has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Vasin, Heyn + Co.

November 30, 2011

CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES
(A California Non-Profit Corporation)
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR 2010)

	<u>2011</u>	<u>2010</u>
ASSETS		
Cash and cash equivalents	\$ 1,074,262	\$ 1,202,522
Investments	1,139,047	869,890
Contracts receivable	4,201,776	4,481,442
Other receivables	18,772	415
Deposits and prepaid expenses	469,111	435,218
Other asset	122,290	122,290
Property and equipment, net	<u>6,343,833</u>	<u>6,554,825</u>
 Total assets	 <u>\$ 13,369,091</u>	 <u>\$ 13,666,602</u>
LIABILITIES		
Accounts payable and accrued expenses	\$ 940,221	\$ 1,146,608
Accrued payroll and related liabilities	2,018,887	1,605,040
Contract advances	10,000	10,000
Note payable	397,245	576,110
Deferred revenue	<u>10,100</u>	<u>28,200</u>
 Total liabilities	 3,376,453	 3,365,958
COMMITMENTS AND CONTINGENCIES		
NET ASSETS		
Unrestricted	9,507,630	9,725,226
Temporarily restricted	346,351	452,824
Permanently restricted	<u>138,657</u>	<u>122,594</u>
 Total net assets	 <u>9,992,638</u>	 <u>10,300,644</u>
 Total liabilities and net assets	 <u>\$ 13,369,091</u>	 <u>\$ 13,666,602</u>

See accompanying auditors' reports and
notes to financial statements.

CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES
(A California Non-Profit Corporation)
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR 2010)

	2011			2010	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
REVENUE AND SUPPORT					
Governmental service contracts	\$ 21,378,432	\$ -	\$ -	\$ 21,378,432	\$ 20,059,645
Contributions and grants	642,419	703,704	2,607	1,348,730	1,175,140
In-kind contributions	248,412	-	-	248,412	279,736
Interest and dividend income	64,834	-	2,477	67,311	21,801
Gain (loss) on investments	206,054	-	18,202	224,256	98,941
Gain (loss) on sale of assets	15,045	-	-	15,045	9,500
Other income	14,518	-	-	14,518	22,198
Contract settlements	(275,431)	-	-	(275,431)	(23,634)
Fundraising events:					
Gross revenue	1,211,567	-	-	1,211,567	1,141,067
Less: Direct costs	(623,379)	-	-	(623,379)	(633,964)
Fundraising events, net	588,188	-	-	588,188	507,103
Restrictions released	817,400	(810,177)	(7,223)	-	-
Total revenue, support and restrictions released	23,699,871	(106,473)	16,063	23,609,461	22,150,430
EXPENSES					
Program services	20,811,892	-	-	20,811,892	19,036,930
Support services	2,700,903	-	-	2,700,903	2,457,913
Fundraising expenses	404,672	-	-	404,672	369,270
	<u>23,917,467</u>	<u>-</u>	<u>-</u>	<u>23,917,467</u>	<u>21,864,113</u>
CHANGE IN NET ASSETS	(217,596)	(106,473)	16,063	(308,006)	286,317
NET ASSETS - beginning of year	<u>9,725,226</u>	<u>452,824</u>	<u>122,594</u>	<u>10,300,644</u>	<u>10,014,327</u>
NET ASSETS - end of year	<u>\$ 9,507,630</u>	<u>\$ 346,351</u>	<u>\$ 138,657</u>	<u>\$ 9,992,638</u>	<u>\$ 10,300,644</u>

See accompanying auditors' reports and
notes to financial statements.

CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES
(A California Non-Profit Corporation)
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR 2010)

	<u>Program Services</u>	<u>Support Services</u>	<u>Fundraising Expenses</u>	<u>2011 Total Expenses</u>	<u>2010 Total Expenses</u>
Salaries and related expenses					
Salaries	\$ 12,690,341	\$ 1,788,687	\$ 221,017	\$ 14,700,045	\$ 13,472,671
Payroll taxes	1,058,462	89,208	18,214	1,165,884	1,116,245
Employee benefits	<u>1,811,368</u>	<u>331,473</u>	<u>31,547</u>	<u>2,174,388</u>	<u>1,958,654</u>
	15,560,171	2,209,368	270,778	18,040,317	16,547,570
Other expenses					
Advertising and recruiting	15,087	49,863	-	64,950	46,803
Auto expense	283,894	19,637	14,200	317,731	196,823
Bad debt	287,535	-	-	287,535	166,377
Board expenses	41	4,719	229	4,989	14,580
Child related costs	139,661	-	-	139,661	142,314
Computer expenses	605,252	26,827	14,019	646,098	691,403
Conferences and meetings	99,571	41,986	4,060	145,617	137,585
Dues and subscriptions	7,807	51,667	3,871	63,345	58,002
Education and training	49,132	80,841	531	130,504	87,886
Equipment maintenance and rental	87,647	34,882	7,803	130,332	106,536
Food costs	428,062	-	-	428,062	367,005
In-kind expenses	156,799	191,410	200	348,409	295,617
Insurance	189,931	12,669	4,192	206,792	188,152
Interest expense	-	59,019	75	59,094	53,307
Office expenses	43,828	17,375	7,076	68,279	75,629
Outside services	97,015	225,655	22,851	345,521	173,776
Postage	624	14,708	2,142	17,474	20,532
Printing	8,407	6,655	22,745	37,807	33,965
Professional fees	200,415	59,060	10,017	269,492	279,850
Rent	720,246	41,155	-	761,401	680,681
Repairs and maintenance	40,532	163,004	2,323	205,859	242,938
Small equipment	54,968	21,472	3,122	79,562	72,727
Supplies	127,875	9,842	1,197	138,914	122,872
Taxes and licenses	38,001	33,368	6,578	77,947	89,282
Telephone	58,274	11,905	1,802	71,981	122,469
Transportation and travel	90,943	4,085	316	95,344	113,531
Utilities	51,475	129,158	-	180,633	188,589
Allocated facility expense	<u>1,323,945</u>	<u>(1,328,490)</u>	<u>4,545</u>	<u>-</u>	<u>-</u>
	20,767,138	2,191,840	404,672	23,363,650	21,316,801
Depreciation	<u>44,754</u>	<u>509,063</u>	<u>-</u>	<u>553,817</u>	<u>547,312</u>
	<u>\$ 20,811,892</u>	<u>\$ 2,700,903</u>	<u>\$ 404,672</u>	<u>\$ 23,917,467</u>	<u>\$ 21,864,113</u>

See accompanying auditors' reports and
notes to financial statements.

CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES
(A California Non-Profit Corporation)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR 2010)

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (308,006)	\$ 286,317
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	553,817	547,312
(Gain) loss on investments	(224,256)	(98,941)
(Gain) loss on sale of fixed assets	(15,045)	(9,500)
(Increase) decrease in:		
Contracts receivable	279,666	(1,671,404)
Other receivables	(18,357)	10,721
Deposits and prepaid expenses	(33,893)	4,778
Increase (decrease) in:		
Accounts payable and accrued expenses	(206,387)	293,062
Accrued payroll and related liabilities	413,847	68,304
Deferred revenue	<u>(18,100)</u>	<u>(4,596)</u>
Total adjustments	<u>731,292</u>	<u>(860,264)</u>
Net Cash Provided (Used) by Operating Activities	423,286	(573,947)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments related to the acquisition of capital assets	(342,825)	(309,536)
Proceeds from sale of fixed assets	15,045	9,500
Proceeds from sale of investments	253,494	758,311
Purchase of investments	<u>(298,395)</u>	<u>(915,771)</u>
Net Cash Provided (Used) by Investing Activities	<u>(372,681)</u>	<u>(457,496)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds of borrowings for capital purposes	-	175,160
Principal repayments related to capital purposes	<u>(178,865)</u>	<u>(224,331)</u>
Net Cash Provided (Used) by Financing Activities	<u>(178,865)</u>	<u>(49,171)</u>
NET INCREASE (DECREASE) IN CASH	(128,260)	(1,080,614)
CASH AT BEGINNING OF YEAR	<u>1,202,522</u>	<u>2,283,136</u>
CASH AT END OF YEAR	<u>\$ 1,074,262</u>	<u>\$ 1,202,522</u>
Supplemental disclosures:		
Interest paid	<u>\$ 59,094</u>	<u>\$ 53,307</u>

See accompanying auditors' reports and notes to financial statements.

CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

1. ORGANIZATION

The Youth Connection of Ventura County d.b.a. Casa Pacifica (“Casa Pacifica”) was conceived as a “state of the art” residential trauma care and treatment center designed to provide comprehensive assessment, treatment, medical, and education services in the context of 24-hour care to meet the needs of Ventura County's most vulnerable children. The public/private collaboration that resulted opened in 1994 and remains unique in the State and perhaps the country. During the year ending June 30, 2008, Casa Pacifica formally changed its name to Casa Pacifica Centers for Children and Families.

In 2000, Casa Pacifica extended its services off-campus and into the Ventura County community through an intensive, behavioral service intended to be an ancillary, “last effort” intervention delivered in their homes for children in jeopardy of being removed. In 2003, at the request of Santa Barbara County, Casa Pacifica began providing this same Therapeutic Behavioral Service (TBS) to that community as well. In the last four years, Casa Pacifica’s community-based programs in both Counties now include TBS, a comprehensive “Wraparound” program with motto “whatever it takes” to keep families together, and a mobile intensive response crisis unit for psychiatric emergencies involving children and youth. All of these services are directed at children and families in the most challenging times and places of their lives and are designed to prevent out-of-home placement and help families over the barriers to their staying together.

Casa Pacifica is licensed and certified by California’s Departments of Social Services, Mental Health, Education, and Health Services and its programs and services are accredited by the National Council on Accreditation (COA) and the nonpublic special education school carries certification of the Western Association of Schools and Colleges (WASC). Casa Pacifica is active in national, state, interagency and community organizations, collaboratives, task forces, and work groups.

Casa Pacifica provides residential services, an emergency shelter, day treatment, and a non-public school on site. Casa Pacifica’s trained professionals, along with county partners, work with these children and their families in an effort to stop the cycle and heal the pain of abuse and neglect.

Casa Pacifica receives funding from county and state agencies with portions of their funding originating from the federal government. Casa Pacifica also receives funding from private sources.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Casa Pacifica prepares its financial statements in accordance with generally accepted accounting principles (GAAP) promulgated in the United States of America for NFPs. The significant accounting and reporting policies used by Casa Pacifica are described below to enhance the usefulness and understandability of the financial statements.

CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011
(CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

The financial statements are presented based on ASC Topic 958, *Not-for-Profit Entities*. ASC Topic 958, Sections 210 and 225 requires classification of Casa Pacifica's net assets, revenues as well as expenses based on the existence or absence of donor-imposed restrictions. The statement requires presentation of the amounts for each of the three classes of net assets – permanently restricted, temporarily restricted, and unrestricted – in the statement of financial position and the amounts of change in each of those classes of net assets in the statement of activities.

Net Assets

The financial statements report net assets and changes in net assets in three classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

- *Unrestricted net assets.* Unrestricted net assets are resources available to support operations. The only limits on the use of unrestricted net assets are the broad limits resulting from the nature of Casa Pacifica, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.
- *Temporarily restricted net assets.* Temporarily restricted net assets are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Casa Pacifica's unspent contributions are classified in this class if the donor limited their use, as are the unspent appreciation of its donor-restricted endowment funds. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from temporarily restricted to unrestricted net assets. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as temporarily restricted until the specified asset is placed in service by Casa Pacifica, unless the donor provides more specific directions about the period of its use.
- *Permanently restricted net assets.* Permanently restricted net assets are resources whose use by Casa Pacifica is limited by donor-imposed restrictions that neither expire by being used in accordance with a donor's restriction nor by the passage of time. The portion of Casa Pacifica's donor-restricted endowment funds that must be maintained in perpetuity are classified in this net asset class, as is Casa Pacifica's beneficial interest in a perpetual charitable trust held by a bank trustee.

All revenues and net gains are reported as increases in unrestricted net assets in the statement of activities unless the use of the related resources is subject to temporary or permanent donor restrictions. All expenses and net losses other than losses on endowment investments are reported as decreases in unrestricted net assets. Net losses on endowment investments reduce temporarily restricted net assets to the extent that net gains of the fund from prior years are unspent and classified there; remaining losses are classified as decreases in unrestricted net assets. If an endowment fund has no net gains from prior years, such as when a fund is newly established, net losses are classified as decreases in unrestricted net assets.

CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Cash Equivalents

Cash equivalents are short term, interest bearing, highly liquid investments with original maturities of three months or less, unless the investments are held for meeting restrictions of a capital or endowment nature.

Receivables

Receivables are primarily unsecured amounts due from grantors on cost reimbursement or performance grants.

Receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that remain outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

A significant portion of Casa Pacifica's income is derived from pass through counties' DMH programs. These revenues are based, in part, on cost reimbursement principles and are subject to audit and retroactive adjustment by the respective third-party fiscal intermediaries. As of June 30, 2011, Casa Pacifica has made a provision of \$837,455 for the possible disallowance of DMH revenues for all fiscal years for which final settlements have not been reached. Such allowance is established by management's best estimate based on past experience.

Other receivables consist of various education assistance advances and other non-government receivables deemed fully collectible at June 30, 2011.

Accounting for Contributions

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in unrestricted net assets unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in either temporarily restricted or permanently restricted net assets, consistent with the nature of the restriction. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as temporarily restricted until the payment is due unless the contribution is clearly intended to support activities of the current fiscal year or is received with permanent restrictions. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Contributed Goods and Services

Contributions of goods received that are measurable are recorded as revenue at their estimated fair value when received. Contributions of services are recognized if the services received meet any of these criteria: (1) if they create or enhance nonfinancial assets and (2) if they require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Casa Pacifica benefits from personal services provided by a substantial number of volunteers. Those volunteers have donated significant amounts of time and services in Casa Pacifica's program operations and in its fund-raising campaigns. However, the majority of the contributed services do not meet the criteria for recognition in financial statements.

Government Revenue

Government revenue is recognized when the qualifying costs are incurred for cost-reimbursement grants or contracts or when a unit of service is provided for performance grants. Government revenue from federal agencies is subject to independent audit under the Office of Management and Budget Circular A-133 and review by grantor agencies. The review could result in the disallowance of expenditures under the terms of the grant or reductions of future grant funds. Based on prior experience, Casa Pacifica's management believes that costs ultimately disallowed, if any, would not materially affect the financial position of Casa Pacifica.

New Accounting Standards

Casa Pacifica measures fair value in accordance with FASB ASC 820-10. FASB ASC 820-10 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels; Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs, other than the quoted prices in active markets, are observable either directly or indirectly, and Level 3 unobservable inputs in which there is little or no market data, which requires Casa Pacifica to develop its own assumptions. Casa Pacifica uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, Casa Pacifica measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available. Assets reported at fair value at June 30, 2011, are Level 1 and Level 3 inputs.

CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Property and Equipment

Land, buildings, property, and equipment are reported in the statement of financial position at cost, if purchased, and at fair value at the date of donation, if donated. All land, buildings, and property are capitalized. Equipment is capitalized if it has a cost of \$5,000 or more and a useful life when acquired of more than 1 year. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, as follows:

Appliances	7 years
Buildings and improvements	40 years
Furniture and Equipment	3-5 years
Infrastructure items: phone system, voicemail	7 years
Landscaping	3 years
Leasehold improvements	20 years, or remaining lease term, if shorter
Software, Computers and printers	1- 3 years

Property and equipment are reviewed for impairment when a significant change in the asset's use or another indicator of possible impairment is present. No impairment losses were recognized in the financial statements in the current period.

Income Taxes

Casa Pacifica is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and California income taxes under section 23701(d) of the California Revenue and Taxation Code.

Casa Pacifica has adopted Financial Accounting Standards Board Accounting Standards Codification (ASC) Section 740-10, which clarifies the accounting for uncertainty in income taxes. ASC Section 740-10 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC Section 740-10 requires that an organization recognize in the financial statements the impact of the tax position if that position will more likely than not be sustained on audit, based on the technical merits of the position. As of and for the year ended June 30, 2011, Casa Pacifica had no material unrecognized tax benefits, tax penalties or interest.

CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Expense Recognition and Allocation

The cost of providing Casa Pacifica's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of Casa Pacifica.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. Casa Pacifica generally does not conduct its fundraising activities in conjunction with its other activities. In the few cases in which it does, such as when the annual report or donor acknowledgements contain requests for contributions, joint costs have been allocated between fundraising and management and general expenses in accordance with standards for accounting for costs of activities that include fundraising. Additionally, advertising costs are expensed as incurred.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, Casa Pacifica's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. Casa Pacifica's management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

Comparative Totals

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. 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 Pacifica's financial statements for the year ended June 30, 2010 from which the summarized information was derived.

CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011
(CONTINUED)

3. FAIR VALUE MEASUREMENTS

Casa Pacifica reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are as follows:

- *Level 1* - Quoted prices for identical assets or liabilities in active markets to which Casa Pacifica has access at the measurement date.

- *Level 2* - Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include
 - quoted prices for similar assets or liabilities in active markets;
 - quoted prices for identical or similar assets in markets that are not active;
 - observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves); and
 - inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

- *Level 3* - Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

The carrying amounts of cash and cash equivalents and accounts receivable approximate fair value because of the terms and relatively short maturity of these financial instruments.

The carrying amounts of liabilities, approximate fair value because of the relatively short maturity of these financial instruments.

When available, Casa Pacifica measures fair value using level 1 inputs because they generally provide the most reliable evidence of fair value.

CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011
(CONTINUED)

4. INVESTMENTS

Investments consist of the following at June 30, 2011:

	<u>Fair Value</u>
Mutual funds – closed end funds	\$ 1,016,103
Marketable alternative investments	83,784
U.S. common stocks	28,660
Real assets	<u>10,500</u>
Total Investments	<u>\$ 1,139,047</u>

As discussed in Note 3 to these financial statements, Casa Pacifica is required to report its fair value measurements in one of three levels, which are based on the ability to observe in the marketplace the inputs to Casa Pacifica’s valuation techniques. Level 1, the most observable level of inputs, is for investments measured at quoted prices in active markets for identical investments as of the June 30, 2011. Level 2 is for investments measured using inputs such as quoted prices for similar assets, quoted prices for the identical asset in inactive markets, and for investments measured at net asset value that can be redeemed in the near term. Level 3 is for investments measured using inputs that are unobservable, and is used in situations for which there is little, if any, market activity for the investment.

	<u>Total</u>	<u>Level 1</u>	<u>Level 3</u>
Mutual funds – closed end funds	\$ 1,016,103	\$ 1,016,103	\$ -
Marketable alternative investments	83,784	83,784	-
U.S. common stocks	28,660	28,660	-
Real assets	<u>10,500</u>	<u>-</u>	<u>10,500</u>
	<u>\$ 1,139,047</u>	<u>\$ 1,128,547</u>	<u>\$ 10,500</u>

At June 30, 2011, Casa Pacifica did not have any investments measured using level 2 inputs.

The composition of the investment return reported in the statement of activities as follows:

	<u>Fair Value</u>
Interest and dividend income	\$ 64,834
Realized gain/loss of investments	23,429
Unrealized gain/loss of investments	<u>182,625</u>
Total investment return	<u>\$ 270,888</u>

CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011
(CONTINUED)

5. PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2011, consist of the following:

Building improvements	\$ 1,972,318
Buildings and facilities	8,603,182
Equipment and furnishings	2,653,812
Leasehold improvements	243,045
Vehicles	743,040
	<u>14,215,397</u>
Less: accumulated depreciation	<u>(7,871,564)</u>
	<u>\$ 6,343,833</u>

Total depreciation expense for the year ended June 30, 2011 was \$553,817.

6. ACCRUED UNEMPLOYMENT LIABILITY

Casa Pacifica has elected to be self-insured for the purposes of California State Unemployment Insurance. Estimated accrued unemployment liability at June 30, 2011, of \$235,998 represents estimated future claims arising from payroll paid to June 30, 2011. Unemployment expense for the year ended June 30, 2011, was \$107,202.

7. NOTE PAYABLE

Casa Pacifica has a term loan with Montecito Bank and Trust maturing August 1, 2014. The loan is secured by company assets and was granted on July 22, 2010 in the principal amount of \$154,321 to finance the training and customization of an electronic health record software system. The loan carries a variable interest rate of .50 percentage points over an index rate of 3.250% with a floor of 4.75%. The balance owed at June 30, 2011 was \$121,541.

Casa Pacifica also has a note payable to the California Health Facilities Financing authority maturing December 31, 2013. The loan is secured by campus buildings at the 1722 South Lewis Road address In Camarillo and carries a 3% interest rate. The balance owed at June 30, 2011 was \$275,704.

Notes mature as follows:

<u>Year ended June 30,</u>	
2012	\$ 141,628
2013	146,628
2014	105,298
2015	<u>3,691</u>
	<u>\$ 397,245</u>

CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

7. NOTE PAYABLE - Continued

In addition, Casa Pacifica has a renewable revolving bank line of credit maturing August 1, 2012 in the amount of \$1,350,000. Of the total line balance, \$300,000 serves as a Standby Letter of Credit securing its lease commitment on the office building at 975 Flynn Road, Camarillo. The Standby Letter reduces in value by \$50,000 each January and the requirement for the Standby Letter expires in December 2016. The Line of credit bears a variable interest rate with a floor of 4.25%.

8. OPERATING LEASE COMMITMENTS

Obligations Under Operating Leases

Casa Pacifica leases facilities, vehicles, and equipment under operating leases with various terms. Future minimum payments, by year and in the aggregate, under these leases with initial or remaining terms of one year or more consist of the following:

<u>Year ended June 30,</u>	
2012	\$ 933,613
2013	825,896
2014	739,250
2015	549,760
2016	530,822
Thereafter	265,707
	<u>\$ 3,845,048</u>

Rent facilities expense under operating leases for the year ended June 30, 2011, was \$761,401.

9. DEFERRED COMPENSATION PLAN

Casa Pacifica's Board of Directors entered into an agreement to sponsor an Internal Revenue Code Section 457 Deferred Compensation Plan (the Plan) that covers the Chief Executive Officer and Chief Financial Officer. As of June 30, 2011, \$273,083 has been accrued toward the Plan for the Chief Executive Officer and Chief Financial Officer, with the related assets included in investments.

CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011
(CONTINUED)

10. RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30, 2011, consist of the following:

Capital Projects	\$ 134,132
Transitional Age Youth	177,467
Children's Needs	5,365
Scholarships	<u>29,387</u>
	<u>\$ 346,351</u>

Permanently restricted net assets at June 30, 2011, consist of the following:

Endowment Fund at VCCF	\$ 124,002
Scholarship Fund	<u>14,655</u>
	<u>\$ 138,657</u>

11. COMMITMENTS AND CONTINGENCIES

Grant

Casa Pacifica entered into a grant agreement with the County of Ventura to help fund the cost of the design, location, and establishment of crisis care and residential treatment center facilities for abused, neglected, abandoned, and other high-risk children in Ventura County. As part of this grant agreement the County of Ventura retains the right to occupy, rent-free, a specific portion of the square footage of the facility actually constructed.

Community Development Block Grants

The County of Ventura has utilized a portion of its community development block grants to enable Casa Pacifica to renovate certain properties and install security and safety devices. In return, Casa Pacifica issued grants of lien and has assigned a portion of its proceeds to the County of Ventura in the event of possible future sale of the properties. It is not possible at this time to determine the extent of Casa Pacifica's liability, if any.

Contracts

Casa Pacifica's grants and contracts are subject to inspection and audit by the appropriate governmental funding agencies. The purpose is to determine whether program funds were used in accordance with their respective guidelines and regulations. The potential exists for disallowance of previously funded program costs. The ultimate liability, if any, which may result from these governmental audits cannot be reasonably estimated.

CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011
(CONTINUED)

12. SUBSEQUENT EVENTS

Casa Pacifica has evaluated events subsequent to June 30, 2011, to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through November 30, 2011, the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

13. CONCENTRATION RISK

Amounts held in financial institutions occasionally are in excess of the Federal Deposit Insurance Corporation and Securities Investor Protection Corporation limits. Casa Pacifica deposits its cash with high quality financial institutions, and management believes Casa Pacifica is not exposed to significant credit risk on those amounts.

For the year ended, June 30, 2011, Casa Pacifica derived 53% of its earned revenue from its mental health programs, 27.8% of its revenue from its residential programs, and 6.7% of its revenue from its non-public school programs.

The majority of Casa Pacifica's contributions and grants are received from corporations, foundations, and individuals and from agencies throughout the state of California. As such, Casa Pacifica's ability to generate resources via contributions and grants is dependent upon the economic health of that area and of the state of California. An economic downturn could cause a decrease in contributions and grants that coincides with an increase in demand for Casa Pacifica's services.

Casa Pacifica'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 Pacifica'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 should mitigate the impact of changes in any one class.

GOVERNMENT AUDIT SECTION

CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES
(A California Non-Profit Corporation)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unqualified.

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None Reported
- Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None Reported

Type of auditors' report issued on compliance for major programs: Unqualified.

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? _____ Yes X No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.658	Foster Care Title IV-E
93.778	Medical Assistance Program

Dollar threshold used to distinguish between type A and type B programs: \$ 500,185

Auditee qualified as low-risk auditee? _____ X Yes _____ No

Section II - Financial Statement Findings

No matters were reported.

Section III - Federal Award Findings and Questioned Costs

No matters were reported.

**INDEPENDENT AUDITORS' REPORT
ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors of
Casa Pacifica Centers for Children and Families (CPCCF)
(A California Non-Profit Corporation)
Camarillo, California

We have audited the financial statements of Casa Pacifica Centers for Children and Families (A California Non-Profit Corporation) as of and for the year ended June 30, 2011, and have issued our report thereon dated November 30, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of Casa Pacifica Centers for Children and Families is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Casa Pacifica Centers for Children and Families' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Casa Pacifica Centers for Children and Families' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Casa Pacifica Centers for Children and Families' internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Casa Pacifica Centers for Children and Families' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors, management, others within the organization and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Vorwin, Hays + Co.

November 30, 2011

**INDEPENDENT AUDITORS' REPORT
ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors of
Casa Pacifica Centers for Children and Families (CPCCF)
(A California Non-Profit Corporation)
Camarillo, California

Compliance

We have audited Casa Pacifica Centers for Children and Families (A California Non-Profit Corporation) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Casa Pacifica Centers for Children and Families' major federal programs for the year ended June 30, 2011. Casa Pacifica Centers for Children and Families' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Casa Pacifica Centers for Children and Families' management. Our responsibility is to express an opinion on Casa Pacifica Centers for Children and Families' compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Casa Pacifica Centers for Children and Families' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Casa Pacifica Centers for Children and Families' compliance with those requirements.

In our opinion, Casa Pacifica Centers for Children and Families complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

Management of Casa Pacifica Centers for Children and Families is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Casa Pacifica Centers for Children and Families' internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Casa Pacifica Centers for Children and Families' internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

This report is intended solely for the information and use of the Board of Directors, management, others within the organization and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Vorwin, Hays + Co.

November 30, 2011

CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES
(A California Non-Profit Corporation)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011
(FEIN 77-0195022)

Federal Grantor, Pass Through Grantor, Program Title	Federal CFDA Number	Government Revenue		Program Expenditures From Government Revenue
		Federal	Nonfederal	
MAJOR PROGRAMS				
U.S. Department of Health and Human Services				
Passed Through the California Department of Social Services				
Foster Care - Title IV-E	93.658	\$ 2,727,772	\$ 2,912,782	\$ 5,640,554
Training Program	93.658	<u>261,750</u>	<u>-</u>	<u>261,750</u>
Foster Care_Title IV-E	93.658	2,989,522	2,912,782	5,902,304
Passed Through the California Department of Social Services				
Passed Through the County of Ventura	93.778	3,812,004	2,884,754	6,696,758
Passed Through Various Counties	93.778	<u>2,388,542</u>	<u>1,611,695</u>	<u>4,000,237</u>
Medical Assistance Program	93.778	<u>6,200,546</u>	<u>4,496,449</u>	<u>10,696,995</u>
TOTAL MAJOR PROGRAMS EXPENDITURES		<u>\$ 9,190,068</u>	<u>\$ 7,409,231</u>	<u>\$ 16,599,299</u>
OTHER FEDERAL PROGRAMS				
U.S. Department of Agriculture				
Passed Through the California Department of Education				
School Breakfast Program	10.553	\$ 33,778	\$ -	\$ 33,778
Passed Through the California Department of Education				
National School Lunch Program	10.555	31,711	-	31,711
Passed through the California Department of Education				
After School Snack Program	10.CFDA	<u>8,039</u>	<u>-</u>	<u>8,039</u>
TOTAL OTHER FEDERAL PROGRAMS		<u>73,528</u>	<u>-</u>	<u>73,528</u>
TOTAL FEDERAL EXPENDITURES		<u>\$ 9,263,596</u>	<u>\$ 7,409,231</u>	<u>\$ 16,672,827</u>
STATE FUNDING				
California Department of Education				
Passed Through Various School Districts				
Special Education		\$ -	\$ 1,234,657	\$ 1,234,657
Transportation		-	193,620	193,620
County of Ventura Human Services Agency:				
Wrap Around Program		-	1,410,495	1,410,495
Shelter Safety Watch and Program Support		-	288,731	288,731
CIRT and PCIT Program Support		-	731,113	731,113
County of Santa Barbara Department of Social Services				
Wrap Around Program		-	585,437	585,437
SAFTY Crisis Response Program		-	180,000	180,000
California State Department of Health and Human Services				
Child Health Disease Prevention/State MediCal		<u>-</u>	<u>53,528</u>	<u>53,528</u>
TOTAL STATE EXPENDITURES		<u>\$ -</u>	<u>\$ 4,677,581</u>	<u>\$ 4,677,581</u>
TOTAL FEDERAL AND STATE EXPENDITURES		<u>\$ 9,263,596</u>	<u>\$ 12,086,812</u>	<u>\$ 21,350,408</u>

The above schedule was prepared using the accrual basis of accounting.
See accompanying auditors' reports and notes to basic financial statements.

CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES
(A California Non-Profit Corporation)
NOTES SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011
(FEIN 77-0195022)

1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Casa Pacifica Centers for Children and Families under programs of the federal government for the year ended June 30, 2011. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of Casa Pacifica Centers for Children and Families, it is not intended to and does not present the financial position, changes in net assets or cash flows of Casa Pacifica Centers for Children and Families.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

**CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES
(A California Non-Profit Corporation)
FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011**

CURRENT YEAR FINDINGS:

2011 Findings:

There were no 2011 findings noted.

2011 Questioned Costs:

There were no 2011 questioned costs noted.

PRIOR YEARS FINDINGS AND QUESTIONED COSTS:

2010 Findings:

There were no 2010 findings noted.

2010 Questioned Costs:

There were no 2010 questioned costs noted.

2009 Findings:

There were no 2009 findings noted.

2009 Questioned Costs:

There were no 2009 questioned costs noted.