

**CASA PACIFICA CENTERS FOR
CHILDREN AND FAMILIES**

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

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FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Casa Pacifica Centers for Children and Families

Report on the Financial Statements

We have audited the accompanying financial statements of Casa Pacifica Centers for Children and Families (Casa Pacifica), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Casa Pacifica as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Casa Pacifica's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 5, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

To the Board of Directors
Casa Pacifica Centers for Children and Families

Other Matters - Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the accompanying Department of Social Services Forms THP+FC-1A, THP+FC-1B, FCR 12FFA, SR3-CTF Residential and SR4-CTF Residential, are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 19, 2020, on our consideration of Casa Pacifica's 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Casa Pacifica's internal control over financial reporting and compliance.

Green Hasson & Janks LLP

February 19, 2020
Los Angeles, California

CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES

STATEMENT OF FINANCIAL POSITION

June 30, 2019

With Summarized Totals at June 30, 2018

ASSETS	2019			2018 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
Cash	\$ 144,894	\$ 181,217	\$ 326,111	\$ 4,852,959
Investments	1,063,614	66,584	1,130,198	1,415,881
Contracts Receivable (Net)	4,271,015	-	4,271,015	4,365,116
Pledges Receivable	-	-	-	25,526
Prepaid Expenses and Other Assets	295,566	-	295,566	462,900
Beneficial Interest in Assets Held by Others	138,797	-	138,797	133,443
Property and Equipment (Net)	16,648,254	-	16,648,254	14,288,712
TOTAL ASSETS	\$ 22,562,140	\$ 247,801	\$ 22,809,941	\$ 25,544,537
LIABILITIES AND NET ASSETS				
LIABILITIES:				
Accounts Payable	\$ 1,065,178	\$ -	\$ 1,065,178	\$ 2,641,678
Accrued Payroll Liabilities	1,616,909	-	1,616,909	1,717,095
Other Accrued Liabilities	1,713,709	-	1,713,709	1,892,927
Line of Credit	-	-	-	1,400,000
Note Payable	750,000	-	750,000	750,000
TOTAL LIABILITIES	5,145,796	-	5,145,796	8,401,700
NET ASSETS:				
Without Donor Restrictions	17,416,344	-	17,416,344	15,084,722
With Donor Restrictions	-	247,801	247,801	2,058,115
TOTAL NET ASSETS	17,416,344	247,801	17,664,145	17,142,837
TOTAL LIABILITIES AND NET ASSETS	\$ 22,562,140	\$ 247,801	\$ 22,809,941	\$ 25,544,537

The Accompanying Notes are an Integral Part of These Financial Statements

CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES

STATEMENT OF ACTIVITIES

Year Ended June 30, 2019

With Summarized Totals for the Year Ended June 30, 2018

	2019			2018 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
PROGRAM SERVICE REVENUE:				
Government Grants and Contracts	\$ 21,511,308	\$ -	\$ 21,511,308	\$ 22,239,887
Non-Government Service Contracts	4,290,136	-	4,290,136	4,093,891
TOTAL PROGRAM SERVICE REVENUE	25,801,444	-	25,801,444	26,333,778
PUBLIC SUPPORT:				
Grants and Contributions	1,331,469	1,791,408	3,122,877	2,464,733
Special Events (Net of Costs of Direct Donor Benefits of \$1,237,134)	367,219	318,518	685,737	751,164
Contributed Goods and Services	247,455	-	247,455	486,103
TOTAL PUBLIC SUPPORT	1,946,143	2,109,926	4,056,069	3,702,000
TOTAL PROGRAM SERVICE REVENUE AND PUBLIC SUPPORT	27,747,587	2,109,926	29,857,513	30,035,778
OPERATING EXPENSES:				
Program Services	24,591,779	-	24,591,779	24,551,517
Management and General	4,062,463	-	4,062,463	4,140,777
Fundraising	760,659	-	760,659	976,125
TOTAL OPERATING EXPENSES	29,414,901	-	29,414,901	29,668,419
Net Assets Released from Restrictions	3,920,240	(3,920,240)	-	-
CHANGE IN NET ASSETS FROM OPERATIONS	2,252,926	(1,810,314)	442,612	367,359
Investment Return (Net)	70,351	-	70,351	120,921
Other Income	8,345	-	8,345	9,291
CHANGE IN NET ASSETS	2,331,622	(1,810,314)	521,308	497,571
Net Assets - Beginning of Year	15,084,722	2,058,115	17,142,837	16,645,266
NET ASSETS - END OF YEAR	\$ 17,416,344	\$ 247,801	\$ 17,664,145	\$ 17,142,837

The Accompanying Notes are an Integral Part of These Financial Statements

CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES

STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2019
With Summarized Totals for the Year Ended June 30, 2018

	2019									2018 Total Expenses
	Program Services					Supporting Services			Total Expenses	
	Campus Services	Community Services	School Services	Private Programs	Total	Management and General	Fundraising	Total		
Salaries and Wages	\$ 6,300,170	\$ 4,473,049	\$ 1,854,970	\$ 2,322,947	\$ 14,951,136	\$ 2,107,673	\$ 456,279	\$ 2,563,952	\$ 17,515,088	\$ 17,688,578
Payroll Taxes	458,304	329,870	135,869	169,565	1,093,608	143,110	34,283	177,393	1,271,001	1,277,038
Employee Benefits	1,115,132	779,036	324,886	375,430	2,594,484	359,046	62,974	422,020	3,016,504	3,157,925
TOTAL PERSONNEL COSTS	7,873,606	5,581,955	2,315,725	2,867,942	18,639,228	2,609,829	553,536	3,163,365	21,802,593	22,123,541
Facilities Rental	152,445	414,448	40,894	13,399	621,186	133,588	-	133,588	754,774	726,279
Computer Expenses	419,839	121,786	42,789	62,817	647,231	50,944	36,870	87,814	735,045	705,925
Professional Fees	17,832	79,388	34,857	175,764	307,841	289,639	-	289,639	597,480	599,631
Outside Services	83,750	128,685	11,239	178,548	402,222	147,348	9,636	156,984	559,206	599,260
Food Costs	296,638	-	58,864	171,116	526,618	-	-	-	526,618	524,883
Depreciation	186,237	4,425	38,051	93,714	322,427	122,435	15,495	137,930	460,357	329,288
Auto Expense	103,592	217,431	96,469	27,821	445,313	4,892	96	4,988	450,301	403,079
Contributed Goods and Services	318,903	7,284	2,578	3,386	332,151	4,911	36,157	41,068	373,219	471,296
Repairs and Maintenance	288,894	35,881	4,623	6,605	336,003	32,897	349	33,246	369,249	384,371
Insurance	152,877	98,734	35,274	50,040	336,925	15,411	15,729	31,140	368,065	345,985
Advertising and Recruiting	47,787	31,029	13,182	96,963	188,961	84,246	14,323	98,569	287,530	376,760
Child Related Costs	223,179	44,918	1,945	15,793	285,835	1,345	271	1,616	287,451	307,541
Telephone	157,272	64,456	6,457	12,473	240,658	38,129	3,133	41,262	281,920	214,486
Supplies	141,832	20,351	22,504	63,406	248,093	20,564	6,246	26,810	274,903	242,796
Utilities	193,042	34,670	398	2,394	230,504	14,940	11	14,951	245,455	234,564
Other Operating Expenses	13,373	13,410	3,398	9,293	39,474	90,325	37,870	128,195	167,669	117,714
Conferences and Meetings	35,329	19,616	5,110	25,999	86,054	50,835	8,035	58,870	144,924	282,058
Equipment Maintenance and Rental Costs	117,127	2,388	10,062	3,059	132,636	36,418	288	36,706	169,342	129,082
Transportation and Travel	10,138	92,088	12,930	4,381	119,537	5,734	1,361	7,095	126,632	113,216
Interest	-	-	-	-	-	95,782	15,000	110,782	110,782	101,293
Provision for Uncollectible Contracts Receivable	-	-	-	-	-	108,000	-	108,000	108,000	108,000
Taxes and Licenses	27,565	29,301	5,436	1,701	64,003	42,919	175	43,094	107,097	103,923
Office Expenses	16,832	7,967	7,222	6,858	38,879	61,332	6,078	67,410	106,289	123,448
TOTAL 2019 FUNCTIONAL EXPENSES	\$ 10,878,089	\$ 7,050,211	\$ 2,770,007	\$ 3,893,472	\$ 24,591,779	\$ 4,062,463	\$ 760,659	\$ 4,823,122	\$ 29,414,901	
					83%	14%	3%		100%	
TOTAL 2018 FUNCTIONAL EXPENSES					\$ 24,551,517	\$ 4,140,777	\$ 976,125	\$ 5,116,902		\$ 29,668,419
					83%	14%	3%			100%

The Accompanying Notes are an Integral Part of These Financial Statements

CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES

STATEMENT OF CASH FLOWS

Year Ended June 30, 2019

With Summarized Totals for the Year Ended June 30, 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 521,308	\$ 497,571
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation	460,357	329,288
Provision for Uncollectible Accounts Receivable	108,000	108,000
Net Unrealized and Realized Gains	(45,844)	(50,927)
Change in Value of Beneficial Interest in Assets Held by Others	(5,354)	(7,799)
Donated Stock	(102,724)	(265,873)
Proceeds from Sale of Donated Stock	118,278	263,807
Contributions Restricted for Capital Campaign	(1,310,607)	(1,211,190)
Increase (Decrease) in:		
Contracts Receivable	(13,899)	(205,597)
Prepaid Expenses and Other Assets	167,334	(10,241)
Increase (Decrease) in:		
Accounts Payable	(1,576,500)	1,686,860
Accrued Payroll Liabilities	(100,186)	(30,780)
Other Accrued Liabilities	(179,218)	(37,922)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(1,959,055)	1,065,197
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of Property and Equipment	(2,819,899)	(7,876,112)
Purchases of Investments	(8,110)	(62,195)
Proceeds from Sales of Investments	324,083	240,908
NET CASH USED IN INVESTING ACTIVITIES	(2,503,926)	(7,697,399)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from (Repayments on) Line of Credit (Net)	(1,400,000)	400,000
Proceeds from Contributions Restricted for Capital Campaign	1,336,133	1,635,924
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(63,867)	2,035,924
NET DECREASE IN CASH	(4,526,848)	(4,596,278)
Cash - Beginning of Year	4,852,959	9,449,237
CASH - END OF YEAR	\$ 326,111	\$ 4,852,959
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash Paid during the Year for Interest	\$ 110,782	\$ 101,293

The Accompanying Notes are an Integral Part of These Financial Statements

CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 1 - ORGANIZATION

Casa Pacifica Centers for Children and Families (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.

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. Over the last 18 years, Casa Pacifica's programs and services have continued to grow to respond to the increasing needs of the community including services to foster youth "aging out" of child welfare. Most recently, in response to changing public policy initiatives and local needs, Casa Pacifica converted half its shelter beds to brief residential treatment for youth from the private sector through contracts with commercial insurance companies such as Kaiser. In addition, in keeping with a "once in a generation" foster care reform effort effective January 2017, Casa Pacifica obtained a new license called Short-Term Residential Therapeutic Program (STRTP) to continue to provide more intensive residential services to foster care youth with complex trauma and significant behavioral and emotional challenges.

Regardless of the program - campus or community - or funding source - public or private - Casa Pacifica restores hope, enhances resilience, and strengthens community connections for children, young adults and families at the most challenging times of the lives and works with them to prevent unnecessary hospitalizations and out-of-home placements, and helps families overcome the barriers to staying together as a family.

Today, with a staff approaching 400 and services provided to thousands of children and youth annually, Casa Pacifica is among the 10 largest nonprofits on California's Central Coast providing residential services, intensive mental health services, and a special education nonpublic school on campus, as well as a wide range of community-based services all directed at helping children and youth have the best chance at a successful life. In addition, Casa Pacifica provides highly regarded professional training to staff and local care providers and to professionals throughout California and the nation.

Casa Pacifica is licensed and certified by California's Departments of Social Services, Education, and Health Care Services and its programs and services are accredited by the National Council on Accreditation (COA); the nonpublic special education school carries certification of the Western Association of Schools and Colleges (WASC) and is accredited by the National Council of Accreditation for Special Education Services (NCASES); the mobile crisis team in Santa Barbara County is accredited by the American Association of Suicidology (AAS); and the pre-doctoral internship and post-doctoral fellowship programs are accredited by the American Psychological Association. Casa Pacifica's leadership is active in national, state, interagency and community organizations, collaboratives, task forces and work groups.

Casa Pacifica receives funding from county and state agencies with portions of its funding originating from the Federal government as well as from commercial insurance companies and private payers. Casa Pacifica's pastoral 25-acre campus - five miles from the Pacific Ocean - sits on land leased from Ventura County and upon which operating facilities have been constructed including new buildings funded through a successful and just completed \$16.6 million capital campaign. The lease extends until 2053. Casa Pacifica also receives significant charitable support from the private sector.

CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF PRESENTATION

The accompanying financial statements have been prepared on the accrual basis of accounting.

(b) NET ASSETS

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- **Net Assets Without Donor Restrictions.** Net assets available for use in general operations and not subject to donor-imposed restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a reserve fund and a board-designated endowment.
- **Net Assets With Donor Restrictions.** Net assets subject to the donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

(c) INVESTMENTS

Investments in marketable securities with readily redeemable fair values and all investments in debt securities are recorded at fair value. Investment in real estate property is recorded at the original appraised value which approximates fair value. Interest and dividend income and gains and losses on investments are reported in the statement of activities as increases or decreases in net assets without donor restrictions unless their use is restricted by donor stipulations or by law.

(d) CONTRACTS RECEIVABLE AND RELATED REVENUES

Contracts receivable are recorded when billed or accrued and represent claims against third parties that will be settled in cash. The carrying value of receivables, net of the allowance for doubtful accounts, represents their estimated net realizable value. The allowance for doubtful accounts is estimated based on historical collection trends, type of customer, the age of outstanding receivables and existing economic conditions. If events or changes in circumstances indicate that specific receivable balances may be impaired, further consideration is given to the collectability of those balances and the allowance is adjusted accordingly. Past due receivable balances are written off when internal collection efforts have been unsuccessful in collecting the amount due. At June 30, 2019, Casa Pacifica has established an allowance for doubtful accounts in the amount of \$225,830, based on an evaluation of collectability.

CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) CONTRACTS RECEIVABLE AND RELATED REVENUES (continued)

Revenues from government contracts are recognized when the qualifying costs are incurred for cost-reimbursement grants or contracts or when a unit of service is provided for performance grants. A significant portion of Casa Pacifica's income is derived from programs, passed through from several California County Departments of Mental Health (DMH) and involves local, state and federal government funds. Contract service payments are generally provided monthly, but are subject to approval, audit and retroactive adjustment by the various funding agencies. Final settlements with the various funding agencies are taking from six to eight years, with initial findings in many cases not available for one to two years after funding. As a result, at June 30, 2019, Casa Pacifica has established a reserve in the amount of \$907,294 for possible uncollected or disallowed DMH revenues for all fiscal years for which final settlements have not been reached.

(e) CONTRIBUTIONS AND PLEDGES RECEIVABLE

Unconditional contributions, including pledges recorded at estimated fair value, are recognized as revenues when the pledge is received. Casa Pacifica reports unconditional contributions as restricted support if they are received with donor stipulations that limit the use of the donated assets.

Conditional promises and intentions to give are not included as support until such time as the conditions are substantially met. Intentions to give are not included as support until payments are made or enforceable promises to give are executed.

(f) CONCENTRATIONS

Casa Pacifica places its temporary cash investments with high-credit, quality financial institutions. At times, these may exceed federally insured limits. Casa Pacifica has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on these accounts.

The contracts receivable balance outstanding at June 30, 2019, consists primarily of government contract receivables due from the county, state, and federal granting agencies as well as from third-party insurance payers and are generally unsecured. Management evaluates the collectability of these balances and establishes an allowance for uncollectible amounts based on this evaluation.

Approximately 72% of Casa Pacifica's program service revenue and public support is provided by various government agencies. Casa Pacifica anticipates that it will continue to run these programs although there can be no assurance that Casa Pacifica will be able to obtain future grant agreements upon the expiration of the current term of the contracts.

Investment securities, in general, are exposed to various risks such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the value of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statement of financial position.

CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

Casa Pacifica has the unconditional right to receive all of the cash flows from its beneficial interest in certain assets held by the Ventura County Community Foundation. Casa Pacifica records its beneficial interest at fair value using the fair value of the underlying funds. The change in the value of the beneficial interest is included in investment return in the statement of activities.

(h) PROPERTY AND EQUIPMENT

Property and equipment are reported at cost, if purchased or at fair value at the date of donation, if donated. Depreciation is computed on the straight-line basis over the estimated useful lives of the related assets. Maintenance and repair costs are charged to expense as incurred. Property and equipment are capitalized if the cost of an asset is greater than or equal to \$5,000 and the useful life is greater than one year. The estimated useful lives are as follows:

Buildings and Improvements	40 Years
Equipment and Furnishings	3-7 Years
Leasehold improvements	20 Years, or remaining lease term, if shorter
Vehicles	5 Years

(i) LONG-LIVED ASSETS

Casa Pacifica reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the book value of the assets may not be recoverable. An impairment loss is recognized when the sum of the undiscounted future cash flows is less than the carrying amount of the asset, in which case a write-down is recorded to reduce the related asset to its estimated fair value. No impairment losses were recognized on long-lived assets during the year ended June 30, 2019.

(j) INCOME TAXES

Casa Pacifica is exempt from taxation under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d.

In accordance with the Financial Accounting Standards Board ASC Topic No. 740, *Uncertainty in Income Taxes*, Casa Pacifica recognizes the impact of tax positions in the financial statements if that position is more likely than not to be sustained on audit, based on the technical merits of the position. During the fiscal year ended June 30, 2019, Casa Pacifica performed an evaluation of uncertain tax positions and did not note any matters that would require recognition in the financial statements or which might have an effect on its tax-exempt status.

CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) CONTRIBUTED GOODS AND SERVICES

Contributions of donated non-cash assets are recorded at fair value in the period received. Contributions of donated services are recognized if the services received (a) create or enhance long-lived assets, or (b) require specialized skills, were provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. In-kind contributions of \$247,455 were received during the year ended June 30, 2019 which satisfied the criteria for recognition. Additionally, Casa Pacifica received \$801,351 of contributed goods and services for its fundraising special events, and this amount is included in the special events revenue and expense in the statement of activities (see Note 15).

A substantial number of volunteers have donated significant amounts of their time to Casa Pacifica. Some of the services that these individuals rendered, however, do not meet the above criteria and, as such, are not recognized as revenue.

(l) FUNCTIONAL ALLOCATION OF EXPENSES

The cost of providing Casa Pacifica's programs and other activities is summarized on a functional basis in the 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. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit, including but not limited to proportionate salary dollars, program census and square footage.

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.

(m) 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.

(n) RECLASSIFICATION

For comparability, certain June 30, 2018 amounts have been reclassified, where appropriate, to conform to the financial statement presentation used at June 30, 2019.

CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) 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, 2018, from which the summarized information was derived.

(p) NEW ACCOUNTING PRONOUNCEMENTS

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities (Topic 958)*, which is intended to reduce complexity in financial reporting. The ASU focuses on improving the current net asset classification requirements and information presented in financial statements that is useful in assessing a nonprofit's liquidity, financial performance, and cash flows. Casa Pacifica implemented this ASU during the year ended June 30, 2019.

In May 2014, FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*, which improves and converges the revenue recognition requirements of accounting principles generally accepted in the United States of America and International Financial Reporting Standards. The ASU replaces the existing accounting standards for revenue recognition with a single comprehensive five-step model, which is intended to provide principles within a single framework for revenue recognition of transactions involving contracts with customers across all industries. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance also requires more detailed disclosures to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The guidance has subsequently been amended through a series of ASUs between August 2015 and September 2017 to improve the operability and understandability of the implementation guidance on scope exceptions, and various other narrow aspects, as identified and addressed in such updates. For Casa Pacifica, the ASU and subsequent amendments will be effective for the year ending June 30, 2020.

In February 2016, FASB issued ASU No. 2016-02, *Leases*, which is intended to improve financial reporting about leasing transactions. The new standard will require organizations that lease assets with terms of more than 12 months to recognize on the statement of financial position the assets and liabilities for the rights and obligations created by those leases. The ASU also will require disclosures to help financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases. These disclosures include qualitative and quantitative requirements and provide additional information about the amounts recorded in the financial statements. For Casa Pacifica, the ASU will be effective for the year ending June 30, 2022.

CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) NEW ACCOUNTING PRONOUNCEMENTS (continued)

In June 2018, FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which is intended to clarify the accounting guidance for contributions received and contributions made. The amendments in this ASU should assist entities in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance. For Casa Pacifica, the ASU will be effective for the year ending June 30, 2020.

(q) SUBSEQUENT EVENTS

Casa Pacifica has evaluated events and transactions occurring subsequent to the statement of financial position date of June 30, 2019, for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through February 19, 2020, the date these financial statements were available to be issued. No such material events or transactions were noted to have occurred.

NOTE 3 - INVESTMENTS

Investments at June 30, 2019 consist of the following:

Cash Equivalents	\$	49,228
Mutual Funds and Exchange-Traded Funds		1,070,470
Real Estate Property		10,500
TOTAL INVESTMENTS	\$	1,130,198

NOTE 4 - FAIR VALUE MEASUREMENTS

Casa Pacifica has implemented the fair value accounting standard for those assets (and liabilities) that are re-measured and reported at fair value at each reporting period. This standard establishes a single authoritative definition of fair value, sets out a framework for measuring fair value based on inputs used, and requires additional disclosures about fair value measurements. The standard applies to fair value measurements already required or permitted by existing standards.

In general, fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets (or liabilities). Fair values determined by Level 2 inputs utilize data points that are observable such as quoted prices, interest rates, and yield curves. Fair values determined by Level 3 inputs are unobservable data points for the asset (or liability) and include situations where there is little, if any, market activity for the asset (or liability).

CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 4 - FAIR VALUE MEASUREMENTS (continued)

The following table presents information about Casa Pacifica's assets that are measured at fair value on a recurring basis at June 30, 2019, and indicates the fair value hierarchy of the valuation techniques utilized to determine such fair value:

	Year Ended June 30, 2019	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash Equivalents	\$ 49,228	\$ 49,228	\$ -	\$ -
Mutual Funds and Exchange Traded Funds:				
Equity	970,059	970,059	-	-
Fixed Income	100,411	100,411	-	-
Real Estate Property	10,500	-	-	10,500
Beneficial Interest in Assets Held by Others	138,797	-	-	138,797
TOTAL	\$ 1,268,995	\$ 1,119,698	\$ -	\$ 149,297

The fair values of investments within Level 1 inputs were obtained based on quoted market prices at the closing of the last business day of the fiscal year. The fair value of the real estate property presented within Level 3 is based on its appraised value. The fair value of the beneficial interest in assets held by others presented within Level 3 is based on the fair value of the underlying assets held at the Ventura County Community Foundation as reported by Ventura County Community Foundation.

Transfers between Level 1 and 2 generally relate to whether a market becomes active or inactive. Transfers between Level 2 and 3 relate to whether significant relevant observable inputs are available for the fair value measurement in their entirety and when redemption rules become more or less restrictive. There were no transfers between levels for the year ended June 30, 2019.

There were no changes in the balance of the real estate property presented within Level 3 during the year ended June 30, 2019. The balance of the beneficial interest in assets held by others presented within Level 3 appreciated by \$5,354 during the year ended June 30, 2019.

NOTE 5 - BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

Casa Pacifica entered into an agreement with Ventura County Community Foundation, whereby Casa Pacifica established a board-designated endowment fund to be held by the Foundation. The funds held can be used for various purposes as determined by the Board and the annual distributions are limited to 5% of the average balance of funds held over the prior twelve quarters calculated on an annual basis. Changes in the fair value of the beneficial interest in assets held by others were as follows during the year ended June 20, 2019:

Balance at June 30, 2018	\$ 133,443
Net Appreciation	5,354
BALANCE AT JUNE 30, 2019	\$ 138,797

CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 6 - PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2019, consist of the following:

Buildings and Improvements	\$ 23,812,514
Construction in Progress	14,375
Equipment and Furnishings	3,482,025
Leasehold Improvements	200,667
Vehicles	352,563
TOTAL	27,862,144
Less: Accumulated Depreciation	(11,213,890)
PROPERTY AND EQUIPMENT (NET)	\$ 16,648,254

Total depreciation expense for the year ended June 30, 2019, was \$460,357.

NOTE 7 - OTHER ACCRUED LIABILITIES

Other accrued liabilities consisted of the following at June 30, 2019:

DMH Settlement Reserves	\$ 907,294
Deferred Compensation Plan Liability [See Note 10(b)]	579,696
Deferred Rent Liability	110,485
Accrued Unemployment Liability	98,414
Contract and Other Advances	17,820
TOTAL ACCRUED LIABILITIES	\$ 1,713,709

NOTE 8 - LINE OF CREDIT

Casa Pacifica has a renewable revolving line of credit agreement with a financial institution in the amount of \$2,200,000 with a maturity date of August 5, 2020. The line of credit bears a variable interest rate at the U.S. prime rate less 0.5%, and the U.S. prime rate was 5.5% at June 30, 2019. There was no balance outstanding on the line of credit at June 30, 2019. The line is secured by the funds held by Casa Pacifica in its deposit and savings accounts at the financial institution. The line of credit agreement contains certain covenants, with which Casa Pacifica was in compliance at June 30, 2019.

NOTE 9 - NOTE PAYABLE

Casa Pacifica has an unsecured \$750,000 note payable to the Conrad N. Hilton Foundation. The note bears a fixed 2.0% interest rate and matures in November 2021. The note calls for monthly interest-only payments with the principal and any remaining interest due in November 2021. At June 30, 2019, the balance on the note payable was \$750,000.

CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 10 - EMPLOYEE BENEFIT PLANS

(a) DEFINED CONTRIBUTION PLAN

Casa Pacifica has a defined contribution plan covering all eligible employees who have completed three months of service and are age twenty-one or older. Casa Pacifica makes matching contributions equal to 100% up to 5% of the employee's deferred compensation. Casa Pacifica made contributions to the retirement plan of \$396,184 during the year ended June 30, 2019.

(b) DEFERRED COMPENSATION PLAN

Casa Pacifica's Board of Directors entered into an agreement to sponsor an Internal Revenue Code Section 457(b) deferred compensation plan that covers a select group of management employees. The deferred compensation plan liability included in other accrued liabilities on the statement of financial position totaled \$579,696 at June 30, 2019, with the related assets included in investments.

NOTE 11 - COMMITMENTS AND CONTINGENCIES

(a) LEGAL PROCEEDINGS

In the ordinary course of conducting its business, Casa Pacifica becomes involved in various lawsuits. Some of these proceedings may result in judgments being assessed against Casa Pacifica which, from time to time, may have an impact on changes in net assets. Casa Pacifica believes that these proceedings, individually or in the aggregate, would not have a material effect on the accompanying financial statements.

(b) 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. However, due to the complexity and timing of the DMH contract settlement process, Casa Pacifica has set aside a reserve of \$907,294 for its DMH contracts [see Note 2(e) and Note 7]. The reserve is related to DMH contract years which have not yet been settled by the State of California and its counties. Upon settlement by the State of California and the counties, Casa Pacifica records known prior-year settlements (disallowances, additional funding, contract adjustments, and related year reserves write-offs) as contract settlement adjustments.

CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 11 - COMMITMENTS AND CONTINGENCIES (continued)

(c) 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:

Years Ending June 30

2020	\$	693,102
2021		570,312
2022		369,177
2023		70,170
2024		35,160
Thereafter		<u>4,350</u>
TOTAL	\$	<u>1,742,271</u>

Rent for facilities, vehicles, and equipment rental expense under operating leases for the year ended June 30, 2019, were \$754,776, \$77,003, and \$59,638, respectively.

NOTE 12 - NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions consist of undesignated and Board designated amounts as follows at June 30, 2019:

Undesignated	\$	16,787,665
Board Designated:		
Reserve Fund		489,882
Endowment Fund		<u>138,797</u>
TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS	\$	<u>17,416,344</u>

The Board designated endowment fund of \$138,797 is held with the Ventura County Community Foundation (refer to Note 2(h) and Note 5). The Board has also established a reserve fund to be used for capital and other projects.

CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 13 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at June 30, 2019:

Educational Assistance	\$	96,375
Other Programs		<u>151,426</u>
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	\$	<u>247,801</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of passage of time or other events specified by the donors as follows for the year ended June 30, 2019:

Expiration of Specified Time Period:		
Event Sponsorships	\$	325,978
Satisfaction of Purpose Restrictions:		
Capital Campaign		3,244,974
Educational Assistance		57,345
Other Activities		<u>291,943</u>
TOTAL NET ASSETS RELEASED FROM DONOR RESTRICTIONS	\$	<u>3,920,240</u>

NOTE 14 - ENDOWMENTS

Casa Pacifica's endowments consist of donor-restricted and board-designated funds established for a variety of purposes. Endowment funds established by donor-restricted gifts either provide a permanent endowment, which is to provide a permanent source of income to Casa Pacifica, or a term endowment, which is to provide income for a specified period to Casa Pacifica.

Casa Pacifica's management understands California State law as (1) requiring the preservation of the fair value of the original gifts as of the gift date of the donor-restricted endowment funds, absent donor stipulations to the contrary and (2) allowing the spending of income and gains on donor-restricted endowments required to be held in perpetuity, absent explicit donor stipulations that all or a portion of such gains be maintained in perpetuity.

The primary long-term financial objective for Casa Pacifica's endowments is to preserve the real (inflation-adjusted) purchasing power of endowment assets and income after accounting for endowment spending, inflation and costs of portfolio management. Casa Pacifica's investment policy provides for funds to be allocated in a manner that offers the potential for an attractive rate of return, while minimizing volatility. Casa Pacifica's Board of Directors has approved a spending policy whereby funds available for distributions are determined based on 5% of the endowment funds' total market value on June 30 of the previous fiscal year. This policy allows for greater predictability of spendable income for budgeting purposes and for gradual steady growth for the support of operations by the endowments. In addition, this policy minimizes the probability of invading the principal over the long term.

CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 14 - ENDOWMENTS (continued)

At June 30, 2019, Casa Pacifica's endowment net assets composition by type of fund was as follows:

Endowment Net Asset Composition by Type of Fund at June 30, 2019	Board Designated	With Donor Restrictions	Total
Donor-Restricted	\$ -	\$ 66,583	\$ 66,583
Board-Designated	138,797	-	138,797
<i>ENDOWMENT NET ASSETS - JUNE 30, 2019</i>	<u>\$ 138,797</u>	<u>\$ 66,583</u>	<u>\$ 205,380</u>

Changes in endowment net assets were as follows for the year ended June 30, 2019:

	Board Designated	With Donor Restrictions	Total
Endowment Net Assets - Beginning of Year	\$ 133,443	\$ 65,682	\$ 199,125
Investment Return (Net)	5,354	901	6,255
<i>ENDOWMENT NET ASSETS - JUNE 30, 2019</i>	<u>\$ 138,797</u>	<u>\$ 66,583</u>	<u>\$ 205,380</u>

NOTE 15 - SPECIAL EVENTS

Casa Pacifica conducts various special fundraising events during the year. The revenue and expenses from these activities for the year ended June 30, 2019, were as follows:

Ticket Sales and Sponsorships	\$ 1,121,520
Contributed Goods and Services	<u>801,351</u>
<i>TOTAL SPECIAL EVENTS REVENUES</i>	1,922,871
Costs of Direct Benefits to Donors	<u>(1,237,134)</u>
<i>NET SPECIAL EVENTS REVENUES</i>	<u>\$ 685,737</u>

CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 16 - LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

The total financial assets held by Casa Pacifica at June 30, 2019 and the amounts of those financial assets that could be made available for general expenditures within one year of the date of the statement of financial position are summarized in the following table:

Financial Assets at June 30, 2019	
Cash and Cash Equivalents	\$ 144,894
Investments	573,732
Accounts and Other Receivables (Net)	<u>4,271,015</u>
FINANCIAL ASSETS AVAILABLE TO MEET GENERAL EXPENDITURES WITHIN ONE YEAR	\$ <u>4,989,641</u>

Casa Pacifica regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. As part of Casa Pacifica's liquidity management, it has the policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Casa Pacifica has various sources of liquidity at its disposal, including cash and cash equivalents and marketable debt and equity securities, and a \$2,200,000 line of credit facility. In addition, at June 30, 2019, Casa Pacifica has a Board designated endowment fund of \$138,797 and a Board designated reserve fund of \$489,822 that could be drawn upon with Board approval.

**CASA PACIFICA CENTERS FOR
CHILDREN AND FAMILIES**

SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2019

CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2019

	Contract and/or Passed through Grantor's Number	Federal CFDA Number	Total Federal Expenditures
FEDERAL AWARDS			
Federal Grantor/Passed Through Grantor/Program or Cluster Title			
MAJOR AWARDS			
U.S. Department of Health and Human Services			
Pass through the California Department of Social Services			
Foster Care - Title IV-E	1566.00.01 / 1566.00.02 1566.18.01 / 1566.01.02	93.658	\$ 991,783
Training Program	N/A	93.658	<u>298,995</u>
TOTAL MAJOR AWARDS			<u>1,290,778</u>
NON-MAJOR AWARDS			
U.S. Department of Health and Human Services			
Pass through the California Department of Social Services			
Health Services and Resources Administration			
Substance Abuse	G02HP27929	93.243	6,428
U.S. Department of Agriculture			
Pass through the California Department of Education			
National School Breakfast Program	03072-SN-56-R	10.553	22,465
National School Lunch Program	03072-SN-56-R	10.555	13,902
After School Snack Program	03072-SN-56-R	10.555	<u>3,170</u>
Total Child Nutrition Cluster			<u>39,537</u>
TOTAL NON-MAJOR AWARDS			<u>45,965</u>
TOTAL FEDERAL AWARDS			<u><u>\$ 1,336,743</u></u>

See Independent Auditors' Report on Supplemental Information

CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS Year Ended June 30, 2019

Notes to the Schedule of Expenditures of Federal Awards for the Year Ended June 30, 2019

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the Federal award activity of Casa Pacifica Centers for Children and Families (Casa Pacifica) under programs of the Federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Casa Pacifica, it is not intended to and does not present its financial position, changes in net assets, or cash flows.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in Office of Management and Budget Circular A-122, Cost Principles for Non-Profit Organizations, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

3. Indirect Cost Rate

Casa Pacifica has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

4. Awards to Subrecipients

Casa Pacifica has not provided any Federal awards to subrecipients from the Federal expenditures presented in the Schedule.

5. Family Foster Agency Expenditures

Casa Pacifica had \$11,036 of federal funds expended for the Foster Family Agency program, and this amount is included in the Foster Care - Title IV-E line item in the Schedule.

6. Amounts Passed through from County of Ventura

Federal funds passed through the County of Ventura for the year ending June 30, 2019 totaled \$84,812 and are included in the total amount of federal expenditures reported within the Foster Care - Title IV-E program expenditures on the accompanying Schedule.

TRANSITIONAL HOUSING PROGRAM PLUS FOSTER CARE (THP+FC) PROGRAM COSTS REPORT (THP+FC -1A)

This form is to collect cost data for the THP+FC program and report actual allowable and reasonable costs. If the corporation provides other services (example: day care, on-site education, adult services, foster family agency, etc.), **costs must be allocated** to the appropriate activity and only the allowable THP+FC program costs are to be reported. The Corporation must describe the methodology used to allocate costs if other than the standard allocation methodology indicated in current regulations (MPP section 11-402.8 et seq.) **NOTE:** A separate cost report form must be completed for each program operated by the corporation.* **Housing Models: Host Family:** placement where the Non Minor Dependent (NMD) lives with a caring adult who has been selected and approved by the transitional housing placement provider.**Single Site:** placement where the NMD lives in an apartment, single family dwelling, or condominium rented or leased by the THP+FC provider - which one or more adult employees of the THP+FC provider resides on site.**Remote Site:** single housing unit where the NMD lives independently but still receives regular supervision from the provider.

CORPORATE NAME: Casa Pacifica Centers for Families and Children	PROGRAM NAME (IF DIFFERENT) THP + FC		CORPORATE NUMBER 1607658	PROGRAM NUMBER 1566.18.1	CORP. FISCAL OR CALENDAR YEAR (MO/YR-MO/YR) 07/18 - 06/19	
	A	B	C	D	E	F
COST GROUPS	TOTAL PROGRAM AND ADMIN COSTS	OFFSETS (From other funding sources i.e. donation)	THP+FC HOST HOME *	THP+FC SINGLE AND REMOTE SITES *	MANAGEMENT AND GENERAL	PERCENTAGE OF TOTAL THP+FC COSTS
			PROGRAM COSTS		ADMIN COSTS	

I. Personnel Costs

Salary and Wages							
1	Executive Director Salary	\$ 3,989	\$ -	\$ -	\$ -	\$ 3,989	0.9%
2	Assistant Director Salary	-					0.0%
3	Case Managers	73,170			73,170		16.7%
4	Program Director/Administrator Salary	35,912			35,912		8.2%
5	Program Mgr./Supervisor	6,241			6,241		1.4%
6	Community Resource Staff	-					0.0%
7	Administrative Support Staff	1,286			1,286		0.3%
8	Housing Staff	74,243			74,243		16.9%
9	Social Worker Salary (not independent contractor)	-					0.0%
10	Peer Advocate (Youth Position)	-					0.0%
11	Other Personnel Costs (attach detail)	-					0.0%
Sub-total Salary & Wages		\$ 194,840	\$ -	\$ -	\$ 190,851	\$ 3,989	44.4%

Fringe Benefits and Payroll Taxes							
12	Payroll Taxes	\$ 12,622	\$ -	\$ -	\$ 11,994	\$ 629	2.9%
13	Workers' Compensation Insurance	2,868			2,320	547	0.7%
14	Retirement	3,315			2,686	629	0.8%
15	Health, Dental, Vision, etc.	15,954			15,011	943	3.6%
16	Other (attach detail)	-					0.0%
Sub-total Fringe Benefits & Payroll Taxes		\$ 34,759	\$ -	\$ -	\$ 32,011	\$ 2,748	7.9%

See Independent Auditor's Report on Supplementary Information

Contracted Services							
17	Social Worker Contract	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
18	Social Work Activities	-					0.0%
19	Other (attach detail)	-					0.0%
	Sub-total Contracted Services	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%

TOTAL Personnel Costs	\$ 229,599	\$ -	\$ -	\$ 222,862	\$ 6,737	52.3%
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II. Operational Costs

Operating							
20	Advertising & Recruitment	\$ 342	\$ -	\$ -	\$ 342	\$ -	0.1%
21	Conferences, Meetings, In-Service Training	525			525		0.1%
22	Home & Sites Support & Training	-					0.0%
23	Liability Insurance	4,843			4,843		1.1%
24	Office, Program & Training Supplies	18,491			18,491		4.2%
25	Professional & Auditing Fees	7,523			7,523		1.7%
26	Administrative Contracts	121			121		0.0%
27	Licenses and Permits	1,479			1,479		0.3%
28	Housing Turn-Over and Preparation Expense	-					0.0%
29	Telephone, Faxes, Internet	-					0.0%
30	Other Costs (attach detail) (Finger printing, background checks, etc.)	48,962			37,287	11,675	11.2%
	Sub-total Operating	\$ 82,285	\$ -	\$ -	\$ 70,610	\$ 11,675	18.7%

Occupancy							
31	Rent (or cost of ownership #32-35)	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
32	Mortgage Interest (building & related)	-					0.0%
33	Property Insurance	-					0.0%
34	Property Tax	-					0.0%
35	Building Repair & Maintenance	2,882			2,882		0.7%
36	Utilities	-					0.0%
	Sub-total Occupancy	\$ 2,882	\$ -	\$ -	\$ 2,882	\$ -	0.7%

See Independent Auditor's Report on Supplementary Information

Travel and Automobile							
37	Gas, Oil, Maintenance & Repair	\$ 4,125	\$ -	\$ -	\$ 4,125	\$ -	0.9%
38	Staff Mileage Reimbursement Costs	1,609			1,609		0.4%
39	Leased Vehicles Utilities	-					0.0%
40	Auto Insurance	-					0.0%
41	Auto Loan Interest Payment	-					0.0%
Sub-total Travel and Automobile		\$ 5,734	\$ -	\$ -	\$ 5,734	\$ -	1.3%

TOTAL Operational Costs	\$ 90,901	\$ -	\$ -	\$ 79,226	\$ 11,675		20.7%
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III. Direct Client Costs

42	Monthly Rental Subsidy (or cost of ownership #43-46)	\$ 7,492	\$ -	\$ -	\$ 7,492	\$ -	1.7%
43	Mortgage Interest (building & related)	-					0.0%
44	Property Insurance	-					0.0%
45	Property Tax	-					0.0%
46	Building Repair & Maintenance	76,747			76,747		17.5%
47	Security Deposit	-					0.0%
48	Utilities, Telephone and Internet	12,308			12,308		2.8%
49	Furnishings/Household Items	7,792			7,792		1.8%
50	Client Allowance (personal necessities, food, clothing stipend/laundry, transportation)	-					0.0%
51	Infant Allowance	-					0.0%
52	Other (attach detail)	14,166			14,166		3.2%
TOTAL Direct Client Costs		\$ 118,506	\$ -	\$ -	\$ 118,506	\$ -	27.0%

GRAND TOTAL PROGRAM & ADMIN COSTS	\$ 439,006	\$ -	\$ -	\$ 420,594	\$ 18,412		100.0%
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Fundraising Costs (attach detail)	\$ -	Other Expenses Paid With Donated & Raised Funds (attach detail)	\$ -
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Equipment and Property Purchased (attach detail)	\$ -	Organization & Start-up Costs (attach detail)	\$ -
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NUMBER OF YOUTH BY MONTH

	1	2	3	4	5	6	7	8	9	10	11	12	TOTAL
YEAR(S) - fiscal year will have two different years.....	2018	2018	2018	2018	2018	2018	2019	2019	2019	2019	2019	2019	
NAME OF MONTH - (Jan-Dec or fiscal year months).....	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
NUMBER OF YOUTH	11	12	12	10	10	9	10	12	11	11	11	10	

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TRANSITIONAL HOUSING PROGRAM - FOSTER CARE (THP+FC) PROGRAM & OTHER REVENUE (THP+FC-1B)

CORPORATE NAME: Casa Pacifica Centers for Children and Families		PROGRAM NAME (IF DIFFERENT) THP+FC
CORPORATE NUMBER 1607658	PROGRAM NUMBER 1566.18.01	CORP. FISCAL/CALENDAR YEAR (MO/YR-MO/YR) 07/2018 - 06/2019

REVENUE GROUPS		PROGRAM REVENUE
I. Program Revenue (including infant supplement, etc.)		
1	THP+FC Revenue	\$ 431,893.00
2		-
3		-
4		-
TOTAL Direct Program Revenue		\$ 431,893.00

II. Other Revenue		OTHER REVENUE
(Donations, Fundraising, Refunds, Etc.)		
5	Donations/Grants	\$ 62,645.00
6		-
7		-
8		-
TOTAL Other Revenue		\$ 62,645.00

GRAND TOTAL REVENUE		\$ 494,538.00
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TOTAL PROGRAM COST DISPLAY (FCR 12FFA)

SUBMIT ONE FOR EACH PROGRAM

Number of months in cost reporting period 12

CORPORATE/LICENSEE NAME		PROGRAM NAME (IF DIFFERENT)	CORPORATE NUMBER	PROGRAM NUMBER	AGENCY FISCAL YEAR (MO /YR - MO /YR)		
Casa Pacifica Centers for Children & Famili		Foster Family Agency	1607658	1566.01.02	07/2018 - 06/2019		
LINE	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	LINE ITEMS OF COST	TOTAL (SUM OF COLS. 3 THRU 6)	ADMINISTRATION	RECRUITMENT	TRAINING	SOCIAL WORK	EXPLANATION
100a	Executive Director Salary	500	500				
100b	Assistant Director Salary	0					
100c	Administrator Salary	0					
100d	All Other Administrative Salaries	38,961	38,961				
101	Recruitment Payroll	417		417			
102	Training Payroll	1,310			1,310		
110	Administrative Contracts	211	211				
121	Telephone	67	67				
122	Postage and Freight	0					
123	Office Supplies	90	90				
132	Conferences, Meetings, In-Service Training	1,855	1,855				
133	Memberships, Subscriptions, Dues	1,479	1,479				
134	Printing, Publications	31	31				
135	Bonding, General Insurance	678	678				
137	Advertising	0					
138	Miscellaneous	35,169	35,169				
		80,769	79,042	417	1,310	0	
200	Building and Equipment Payroll	0					
211	Building Rents and Leases	3,756	3,756				
214	Acquisition Mortgage Principal & Interest	0					
215	Property Appraisal Fees	0					
216	Property Taxes	413	413				

TOTAL PROGRAM COST DISPLAY (FCR 12FFA)
SUBMIT ONE FOR EACH PROGRAM - CONTINUED

Number of months in cost reporting period _____

CORPORATE/LICENSEE NAME		CORPORATE NUMBER (IF DIFFERENT)	CORPORATE NUMBER	PROGRAM NUMBER			AGENCY FISCAL YEAR (MO/ YR - MO/ YR)	
LINE	(1)	(2)	(3)	(4)	(5)	(6)	(7)	
	LINE ITEMS OF COST	TOTAL (SUM OF COLS. 3 THRU 6)	ADMINISTRATION	RECRUITMENT	TRAINING	SOCIAL WORK	EXPLANATION	
217	Building and Equipment Insurance	0						
221	Utilities	466	466					
222	Building Maintenance	307	307					
223	Building and Equipment Contracts	484	484					
224	Building and Equipment Supplies	195	195					
225	Equipment Leases	0						
226	Equipment Depreciation Expense	0						
227	Expendable Equipment	32	32					
228	Building and Equipment Miscellaneous	0						
241	Vehicle Leases	0				0		
242	Vehicle Depreciation	0	0	0	0	0		
243	Vehicle Operating Costs	1,836	1,836	0	0	0		
		7,488	7,488	0	0	0		
350	Total Paid to Certified Family Homes	66,975	66,975	0	0	0		
352	Other Child-Related Costs, Not Provided by Certified Family Homes	0						
		66,975	66,974.68	0	0	0		
410	Social Worker Payroll and/or Social Worker Contract	0				0		
440	Direct Care Contracts	0				0		
		0				0		
500	TOTAL EXPENSES	155,231	153,504	417	1,310	0		

See Independent Auditor's Report on Supplementary Information

GROUP HOME PROGRAM COSTS REPORT (SR 3)

This form is to collect cost information for the group home program. Report actual allowable and reasonable costs. If the corporation operates more than one group home program and/or the program provides other services (example: day care, on-site education, adult services, foster family agency, etc.) costs **must be allocated** to the appropriate activity and only the allowable group home program costs for the program are to be reported. Describe the methodology used to allocate costs if other than the standard allocation methodology indicated in current regulations (MPP Section 11-402.8 et seq.) NOTE: A separate cost report form must be completed for each group home program operated by the corporation.

Number of months in cost reporting period 12

CORPORATE NAME:		PROGRAM NAME (IF DIFFERENT)	CORPORATE NUMBER	PROGRAM NUMBER	PROVIDER FISCAL YEAR (MO/YR - MO/YR)		
Casa Pacifica		Residential Treatment Center	1607658	1566.00.01	07/18-06/19		
COST GROUPS		A	B	C	D	E	F
		TOTAL PROGRAM COSTS	OFFSETS	REASONABLENESS ADJUSTMENTS	FINAL COSTS (COL. A MINUS COLS. B & C)	PERCENTAGE OF TOTAL COSTS	CDSS USE ONLY
1	Child Care & Supervision	\$3,134,540			\$3,134,540	56.7%	
2	Social Work Activities				\$0	0.0%	
3	Food				\$0	0.0%	
4a	Shelter Costs - Building Rent & Leases	\$377,927			\$377,927	6.8%	
4b	Shelter Costs - Approved by Attorney General Self-Dealing Transactions Affiliated Leases				\$0	0.0%	
4c	Shelter Costs - Acquisition Mortgage: Principal & Interest				\$0	0.0%	
5	Building & Equipment	\$926,606			\$926,606	16.8%	
6	Utilities				\$0	0.0%	
7	Vehicles & Travel	\$80,713			\$80,713	1.5%	
8	Child-Related	\$103,052			\$103,052	1.9%	
9a	Executive Director Salary				\$0	0.0%	
9b	Assistance Director Salary				\$0	0.0%	
9c	Administrator Salary	\$89,774			\$89,774	1.6%	
9d	All Other Admin. Salaries	\$637,698			\$637,698	11.5%	
9e	Financial Audit Costs				\$0	0.0%	
9f	Administration (Minus Admin. Salaries and Financial Audit Costs)	\$176,980			\$176,980	3.2%	
	TOTAL	\$5,527,290	\$0	\$0	\$5,527,290	100.0%	
CDSS USE ONLY							KDE DATE

SR 3 (12/04)

See Independent Auditor's Report on Supplementary Information

GROUP HOME PROGRAM
PAYROLL & FRINGE BENEFIT REPORT (SR 4)

Number of months in cost reporting period: 12

CORPORATE/LICENSEE NAME: Casa Pacifica Centers for Children & Fami	CORPORATE NUMBER: 1607658	PROGRAM NUMBER 1566 14 01	PROVIDER FISCAL YR (MO/YR - MO/YR) 07 18 06 19
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	(1) Child Care & Supervision	(2) Social Work Activities	(3) CDSS USE ONLY
I. PAYROLL (DO NOT INCLUDE BENEFITS)	\$2,496,951		
II. FRINGE BENEFIT EXPENSE			
1. FICA Employer Tax (include MEDICARE)	\$34,900		
2. Unemployment Coverage (State & Federal)	\$184,470		
3. Workers' Compensation Insurance	\$134,740		
4. Medical Insurance Expense	\$236,188		
5. Retirement	\$38,896		
6. Other (Specify on back of form)	\$8,395		
TOTAL FRINGE BENEFITS (Add Lines 1 through 6)	\$637,589	\$0	
III. TOTAL PAYROLL & FRINGE BENEFITS	\$3,134,540	\$0	
IV. CONTRACTOR COSTS			
V. TOTAL (Add Line III and Line IV) Transfer to Column A, Lines 1 and 2, Cost Report (SR 3)	\$3,134,540	\$0	

CDSS USE ONLY