

**CASA PACIFICA CENTERS FOR  
CHILDREN AND FAMILIES  
SINGLE AUDIT REPORT AND  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2023**

**VASIN, HEYN & COMPANY**

*ABOVE THE BRIGHT LINE*

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AN ACCOUNTANCY CORPORATION  
CERTIFIED PUBLIC ACCOUNTANTS | AUDITORS AND ADVISERS



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(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  
(A California Non-Profit Corporation)  
Camarillo, California

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Casa Pacifica Centers for Children and Families (A California Non-Profit Corporation) which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Casa Pacifica Centers for Children and Families as of June 30, 2023, 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.

#### ***Basis for Opinion***

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Casa Pacifica Centers for Children and Families and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Adoption of Accounting Pronouncement***

As described in Note 2 to the financial statements, Casa Pacifica Centers for Children and Families has adopted ASU 2016-02, *Leases (Topic 842)*. Our opinion is not modified with respect to that matter.

## **INDEPENDENT AUDITORS' REPORT (Continued)**

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Casa Pacifica Centers for Children and Families' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Casa Pacifica Centers for Children and Families' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Casa Pacifica Centers for Children and Families' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## **INDEPENDENT AUDITORS' REPORT (Continued)**

### ***Report on Summarized Comparative Information***

We previously audited Casa Pacifica Centers for Children and Families' 2022 financial statements, and expressed an unmodified audit opinion on those audited financial statements in our report dated January 9, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

The summary financial statements do not contain all the disclosures required by accounting principles generally accepted in the United States of America. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of Casa Pacifica Centers for Children and Families.

### ***Report on Supplemental Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Department of Social Services Forms, Transitional Housing Program Plus Foster Care (THP+FC-1A) Program Costs Report, Transitional Housing Program – Foster Care (THP+FC-1B) Program & Other Revenue, Total Program Cost Display (FCR 12FFA), Group Home Program Cost Report (SR3) - CTF Residential, and Group Home Program Payroll & Fringe Benefit Report (SR4) - CTF Residential are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of Casa Pacifica's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The Department of Social Services Forms Transitional Housing Program Plus Foster Care (THP+FC-1A) Program Costs Report, Transitional Housing Program – Foster Care (THP+FC-1B) Program & Other Revenue, Total Program Cost Display (FCR 12FFA), Group Home Program Cost Report (SR3) - CTF Residential, and Group Home Program Payroll & Fringe Benefit Report (SR4) - CTF Residential 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 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 Department of Social Services Forms Transitional Housing Program Plus Foster Care (THP+FC-1A) Program Costs Report, Transitional Housing Program – Foster Care (THP+FC-1B) Program & Other Revenue, Total Program Cost Display (FCR 12FFA), Group Home Program Cost Report (SR3) - CTF Residential, and Group Home Program Payroll & Fringe Benefit Report (SR4) - CTF Residential are fairly stated in all material respects in relation to the financial statements taken as a whole.

## INDEPENDENT AUDITORS' REPORT (Continued)

### ***Other Matters***

#### *Other 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 and State Awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is 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 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 December 13, 2023, 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 solely 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 effectiveness of Casa Pacifica Centers for Children and Families' 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 Casa Pacifica Centers for Children and Families' internal control over financial reporting and compliance.

Vosin, Hryn + Co.

Calabasas, California  
December 13, 2023

**CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES**  
**(A California Non-Profit Corporation)**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2023**  
**(WITH COMPARATIVE TOTALS FOR 2022)**

	2023	2022
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,362,931	\$ 2,987,984
Contracts receivables, net	3,844,631	2,601,125
Promises to give	31,562	82,500
Investments	16,725,466	1,137,478
Deposits and prepaid expenses	803,968	762,664
Beneficial interest in perpetual trust	59,064	59,453
Beneficial interest in funds held by others	138,075	136,913
Right-of-use operating lease	2,245,643	-
Property and equipment, net	14,676,005	14,866,130
Total assets	\$ 39,887,345	\$ 22,634,247
<b>LIABILITIES</b>		
Accounts payable	\$ 994,187	\$ 891,670
Other accrued liabilities	1,363,970	1,380,478
Accrued payroll and related liabilities	1,279,412	1,401,452
Deferred revenue	7,434,374	346,980
Operating lease liability	2,351,169	-
Total liabilities	13,423,112	4,020,580
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>NET ASSETS</b>		
Without donor restrictions	24,483,402	17,908,152
With donor restrictions	1,980,831	705,515
Total net assets	26,464,233	18,613,667
Total liabilities and net assets	\$ 39,887,345	\$ 22,634,247

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, 2023**  
**(WITH COMPARATIVE TOTALS FOR 2022)**

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>REVENUE, SUPPORT, AND RESTRICTIONS RELEASED</b>				
Program service revenue:				
Government grants and contracts	\$ 11,621,128	\$ -	\$ 11,621,128	\$ 13,568,604
Patient care services contracts	7,951,251	-	7,951,251	5,326,130
Special education contracts	3,332,819	-	3,332,819	3,941,050
Public Support:				
Contributions and grants	991,334	2,462,669	3,454,003	2,233,967
In-kind contributions	946,444	-	946,444	1,506,104
Special event revenue	1,267,958	-	1,267,958	2,044,770
Other:				
Interest and dividend income	646,844	-	646,844	8,893
Net realized and unrealized gain (loss) on investments	152,802	-	152,802	(239,618)
Change in value of beneficial interest in perpetual trust	(389)	-	(389)	38,410
Gain (loss) on sale of property and equipment	-	-	-	138,765
Contract settlements	98,707	-	98,707	-
Other income	9,289,397	-	9,289,397	988,527
Restrictions released	<u>1,187,353</u>	<u>(1,187,353)</u>	<u>-</u>	<u>-</u>
 Total revenue, support and restrictions released	 37,485,648	 1,275,316	 38,760,964	 29,555,602
<b>EXPENSES</b>				
Program services	24,352,531	-	24,352,531	23,377,996
Management and general	3,759,758	-	3,759,758	3,461,441
Fundraising	<u>2,798,109</u>	<u>-</u>	<u>2,798,109</u>	<u>3,001,793</u>
 Total expenses	 <u>30,910,398</u>	 <u>-</u>	 <u>30,910,398</u>	 <u>29,841,230</u>
 <b>CHANGE IN NET ASSETS</b>	 6,575,250	 1,275,316	 7,850,566	 (285,628)
 <b>NET ASSETS - beginning of year</b>	 <u>17,908,152</u>	 <u>705,515</u>	 <u>18,613,667</u>	 <u>18,899,295</u>
 <b>NET ASSETS - end of year</b>	 <u>\$ 24,483,402</u>	 <u>\$ 1,980,831</u>	 <u>\$ 26,464,233</u>	 <u>\$ 18,613,667</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, 2023**  
**(WITH COMPARATIVE TOTALS FOR 2022)**

	Program Services	Management and General	Fundraising	2023 Total Expenses	2022 Total Expenses
<b>Salaries and related expenses</b>					
Salaries	\$ 15,457,635	\$ 1,706,318	\$ 839,156	\$ 18,003,109	\$ 16,942,024
Payroll taxes	1,149,248	116,847	60,947	1,327,042	1,221,328
Employee benefits	<u>2,131,399</u>	<u>226,982</u>	<u>88,562</u>	<u>2,446,943</u>	<u>2,647,872</u>
	18,738,282	2,050,147	988,665	21,777,094	20,811,224
<b>Other expenses</b>					
Advertising and recruiting	117,524	83,166	2,035	202,725	348,148
Auto expense	636,254	12,322	1,515	650,091	511,599
Bad debt	157,754	-	-	157,754	200,319
Board expenses	-	498	4,651	5,149	5,105
Child related costs	280,924	446	20,883	302,253	385,589
Computer and technology	499,694	19,712	73,204	592,610	563,873
Conferences and meetings	36,138	9,715	2,084	47,937	49,581
Depreciation	435,423	241,817	15,844	693,084	692,048
Dues and subscriptions	6,212	14,340	3,532	24,084	41,848
Education and training	15,820	8,112	10,567	34,499	16,814
Equipment maintenance and rental	7,303	47,525	-	54,828	114,760
Event expense	-	1,411	478,521	479,932	-
Food costs	491,157	2,193	-	493,350	707,496
Grant expense	30	166	177,252	177,448	-
In-kind expenses	-	-	909,787	909,787	1,384,518
Insurance	505,867	54,111	15,337	575,315	550,675
Interest and related expenses	460	29,079	1,237	30,776	70,476
Office expenses	-	-	-	-	6,374
Outside services	1,210,834	872,459	17,016	2,100,309	1,411,030
Printing	5,242	1,184	22,008	28,434	48,391
Rent	562,240	70,017	-	632,257	544,534
Repairs and maintenance	315,429	16,580	39,714	371,723	372,303
Supplies	105,875	41,015	10,386	157,276	395,939
Taxes and licenses	14,222	12,047	-	26,269	38,180
Utilities	<u>209,847</u>	<u>171,696</u>	<u>3,871</u>	<u>385,414</u>	<u>570,406</u>
<b>Total 2023 expenses</b>	<u>\$ 24,352,531</u>	<u>\$ 3,759,758</u>	<u>\$ 2,798,109</u>	<u>\$ 30,910,398</u>	
(2023 Percentage breakdown)	79%	12%	9%	100%	
<b>Total 2022 expenses</b>	<u>\$ 23,377,996</u>	<u>\$ 3,461,441</u>	<u>\$ 3,001,793</u>		<u>\$ 29,841,230</u>
(2022 Percentage breakdown)	78%	12%	10%		100%

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, 2023**  
**(WITH COMPARATIVE TOTALS FOR 2022)**

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 7,850,566	\$ (285,628)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	693,084	692,048
Provision for bad debt	-	194,689
Restatement adjustment	-	134,225
Net realized and unrealized (gain) loss on investments	(152,802)	239,618
Change in value of beneficial interest in funds held by others	(1,162)	11,495
Change in value of beneficial interest in perpetual trust	389	(38,410)
Donated stock	-	(101,179)
(Increase) decrease in:		
Contracts receivables, net	(1,243,506)	(381,873)
Promises to give	50,938	(57,500)
Deposits and prepaid expenses	(41,304)	(153,756)
Right-of-use operating lease	(2,245,643)	-
Increase (decrease) in:		
Accounts payable	102,517	(2,343)
Other accrued liabilities	(16,508)	(188,619)
Accrued payroll and related liabilities	(122,040)	(677,470)
Deferred revenue	7,087,394	28,816
Operating lease liability	<u>2,351,169</u>	<u>-</u>
Total adjustments	<u>6,462,526</u>	<u>(300,259)</u>
Net Cash Provided (Used) by Operating Activities	14,313,092	(585,887)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of investments	(15,546,586)	(49,180)
Proceeds from sale of investments	111,400	134,317
Payments related to the acquisition of property and equipment	(502,959)	(8,135)
Distributions from beneficial interest in perpetual trust	<u>-</u>	<u>275,000</u>
Net Cash Provided (Used) by Investing Activities	(15,938,145)	352,002
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(1,625,053)	(233,885)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>2,987,984</u>	<u>3,221,869</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 1,362,931</u>	<u>\$ 2,987,984</u>
<b>Supplemental disclosures:</b>		
Interest paid	<u>\$ 8,446</u>	<u>\$ -</u>
<b>Non-cash supplemental disclosure:</b>		
In-kind revenue	<u>\$ 946,444</u>	<u>\$ 1,506,104</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, 2023**

**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, assessment, and education services in the context of 24-hour care to meet the needs of Ventura County's most vulnerable children – children entering the Child Welfare system and foster youth already in services. The public/private collaboration resulted in Casa Pacifica's Camarillo campus which opened in 1994. Casa Pacifica is now the largest nonprofit provider of children's mental health services in Ventura and Santa Barbara Counties.

Four original campus-based programs have now grown to 14 therapeutic, cutting-edge services and programs. 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 for children at-risk of being removed from their homes. In 2003, at the request of Santa Barbara County, Casa Pacifica began providing this same Therapeutic Behavioral Service (TBS) to that community as well. Transitional Youth Services were added in 2007 to help prepare transitional and emancipated foster youth for life after foster care through services including housing, education, employment, basic living skills, etc.; and in 2016, the agency launched its Camino a Casa program serving youth at-risk of, or returning home from, a psychiatric hospitalization – providing brief residential treatment for youth from the private sector through contracts with commercial insurance companies such as Kaiser, as well as intensive outpatient and day services.

Over the last 29 years, Casa Pacifica's programs and services have continued to grow to respond to the increasing needs of the community. In keeping with a "once in a generation" foster care reform effort effective January 2017, Casa Pacifica obtained a new state 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. The STRTP program offered 42 beds upon opening and accepted youth from throughout California. Recently, California limited the maximum number of beds an STRTP facility could offer to 16 beds. As, such, Casa Pacifica is currently repurposing/remodeling its residential cottages into 27 bedroom-suites for its Transitional Youth Services transitional housing program, more than doubling capacity of this program that supports emancipated foster youth as they navigate their newfound independence. The previous transitional housing facilities on campus will now house the STRTP program and offer 10 beds.

Casa Pacifica's mission statement reads: A life Worth Living – Casa Pacifica inspires hope and nurtures mental health and wellbeing of children, young adults, and families to realize their full potential. Regardless of the program - campus or community - or funding source - public or private - Casa Pacifica continues to work with vulnerable youth and their families to prevent unnecessary hospitalizations and out-of-home placements and overcome the barriers to staying together as a family.

Today, with a staff of over 300 individuals 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 to reach their full potential and enjoy a successful life. In addition, Casa Pacifica provides highly regarded professional training to staff to ensure youth are receiving consistency throughout our services and the latest evidence-based, best care available.

**CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES**  
**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**1. ORGANIZATION - Continued**

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); and the pre-doctoral internship and postdoctoral 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 \$16.6 million capital campaign completed in 2018. The lease extends until 2053. Casa Pacifica also receives significant charitable support from the private sector.

**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. The significant accounting and reporting policies used by Casa Pacifica are described below to enhance the usefulness and understandability of the financial statements.

*Accrual Basis*

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

*Net Assets*

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

- *Net assets without donor restrictions.* Net assets without donor restrictions are resources available to support operations. The only limits on the use of net assets without donor restrictions are the broad limits resulting for 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.

**CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES**  
**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*Net Assets – Continued*

- *Net assets with donor restrictions.* Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period or are limited by donor-imposed restrictions that neither expire by being used in accordance with a donor's restriction nor by the passage of time. 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 net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as donor 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.

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the use of the related resources is subject to donor restrictions. All expenses and net losses other than losses on endowment investments are reported as decreases in net assets without donor restrictions.

*Cash and Cash Equivalents*

Cash and cash equivalents are defined as cash in demand deposit accounts as well as cash on hand.

*Contracts Receivables, Net*

Contracts receivables 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, 2023, Casa Pacifica has established an allowance for doubtful accounts in the amount of \$132,528.

*Promises to Give*

Casa Pacifica recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest are received. Casa Pacifica reports unconditional contributions as restricted support if they are received with donor stipulations that limit the use of the donated assets. Promises to give are discounted to their present value when payments are expected in future periods exceeding one year. These discounts are recorded as reductions to contribution revenue and promises to give, and are adjusted annually. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. Intentions to give are not included as support until payments are made or enforceable promises to give are executed.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*Investments*

Investments in equity and debt securities with readily determinable values are reported at fair value. The fair value of investments is based on the closing price on the last business day of the year. Securities are generally held in custodial investment accounts administered by financial institutions.

Investment purchases and sales are accounted for on a trade-date basis. Interest income is recorded as earned on an accrual basis, and dividend income is recorded based upon the ex-dividend date. Realized gains and losses are calculated based upon the underlying cost of the securities traded. Unrealized gains and losses are included in investment return in the statement of activities and represent the difference between the cost and fair value of investments held at the end of the fiscal year.

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

*Deposits and Prepaid Expenses*

Prepaid insurance and other costs are expensed ratably over their respective terms of agreement.

*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.

*Beneficial Interest in Perpetual Trust*

Casa Pacifica is a beneficiary of a perpetual trust, which is administered by a third party other than Casa Pacifica. Under the terms of the trust, Casa Pacifica has the irrevocable right to receive 50% of the income earned on the trust assets for the life of the trust. Casa Pacifica does not control the assets held by the outside trust. Annual distributions from the trust are reported as investment income. Adjustments to the beneficial interest to reflect changes in the fair value are reflected in the statement of activities as a change in value of beneficial interest in perpetual trust.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*Property and Equipment, Net*

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 to 7 years
Leasehold improvements	20 Years, or remaining lease term, if shorter
Vehicles	5 years

*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, 2023.

*Vacation Policy*

Vacation benefits are accrued on a bi-weekly basis. Full-time employees accrue vacation time based upon years of service to Casa Pacifica as follows:

<u>Months of Completed Service</u>	<u>Maximum Accrual</u>
Months 0 - 24	16 Days per year
Months 25 - 59	18.5 Days per year
Months 60 - 119	21 Days per year
120 Months or more	26 Days per year

Eligible regular full-time and part-time employees who have work schedules wherein they work less than 40 hours per week accrue PTO benefits on a pro rata basis. Unused vacation leave will be paid at the time of termination.

Total accrued vacation at June 30, 2023, was \$997,287.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*Revenue Recognition*

Revenues from government agencies, service fees, and other third-party payors for services provided under such contracts are recognized when earned by Casa Pacifica. All gifts, bequests, and other public support are included in net assets without donor restrictions unless specifically restricted by the donor or the terms of the gift or grant instrument. Revenue received where the restriction is met in the same fiscal year is reported under net assets without donor restrictions. Amounts received in excess of balances earned are recognized as liabilities.

*Accounting for Contributions*

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions 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 net assets with donor restrictions 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 net assets with donor restrictions until the payment is due unless the contribution is clearly intended to support activities of the current fiscal year or is received with donor 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.

*In-Kind Donations of 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. Donated services and supplies of \$946,444 were received during the year ended June 30, 2023, which satisfied the criteria for recognition.

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. Some of the services that these individuals rendered, however, do not meet the above criteria and, as such, are not recognized as revenue.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*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 required by the Uniform Guidance 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.

*Allocated 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.

*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. The IRS classified the organization as one that is not a private foundation within the meaning of section 509(a) of the Code because it is an organization described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

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, 2023, Casa Pacifica had no material unrecognized tax benefits, tax penalties or interest.

Casa Pacifica's Forms 990, *Return of Organization Exempt from Income Tax*, for each of the tax years ended June 30; 2022, 2021, and 2020, are subject to examination by the IRS, generally for 3 years after they were filed.

Casa Pacifica's Forms 199, *California Exempt Organization Return*, for each of the tax years ended June 30, 2022, 2021, 2020, and 2019, are subject to examination by the Franchise Tax Board, generally for 4 years after they were filed.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*Comparative Totals*

The financial statements include certain prior-year summarized comparative information. 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, 2022, from which the summarized information was derived.

*Reclassifications*

Certain amounts in the 2022 comparative totals have been reclassified to conform with the 2023 reporting format.

*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.

*Adopted Accounting Pronouncement*

In February 2016, FASB issued Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*. The objective of this ASU is to increase transparency and comparability in financial reporting by requiring balance sheet recognition of leases and note disclosure of certain information about lease arrangements. During the year ended June 30, 2023, Casa Pacifica adopted Accounting Standards Update, ASU 2016-02, *Leases (Topic 842)*.

Casa Pacifica leases facilities and certain equipment for operational purposes under operating leases. These leases typically have an initial term of one to seven years. Casa Pacifica determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, other current liabilities, and operating lease liabilities on our consolidated balance sheet. ROU assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of our leases do not provide an implicit rate, we use a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. Our lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. Lease agreements do not contain any material residual value guarantees or material restrictive covenants.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*Fair Value Measurements*

Casa Pacifica reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal or most advantageous market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. 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 receivables approximate fair value because of the terms and relatively short maturity of these financial instruments. The mutual funds and exchange traded funds are valued at quoted market prices, which represent the net asset value of shares held by Casa Pacifica at year end.

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.

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**3. INVESTMENTS**

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. All assets reported at fair value at June 30, 2023, are Level 1 inputs.

Investments consist of the following at June 30, 2023:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Fixed income	\$15,602,594	\$ -	\$ -	\$15,602,594
Mutual funds and Exchange traded funds (ETFs)	<u>1,122,872</u>	<u>-</u>	<u>-</u>	<u>1,122,872</u>
Total investments	<u>\$16,725,466</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$16,725,466</u>

At June 30, 2023, Casa Pacifica did not have any investments measured using Level 2 or Level 3 inputs.

The composition of the investment return reported in the statement of activities at June 30, 2023 is as follows:

	Amount
Investment and dividend income	\$ 646,039
Net realized and unrealized gain (loss) on investments	<u>146,827</u>
Total investment return	<u>\$ 792,866</u>

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**4. BENEFICIAL INTEREST IN FUNDS HELD BY OTHERS**

*Ventura County Community Foundation*

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.

At June 30, 2023, Casa Pacifica had a beneficial interest in the Fund and is stated at fair value as a Level 3 classification. Investments are made up of pooled expendable funds held by the Foundation, stocks, mutual funds, treasury funds and certificates of deposits and are reported at their fair values in the statement of financial position. The Fund's fair market value at June 30, 2023 was \$138,075.

*Beneficial Interest in Perpetual Trust*

Casa Pacifica is the 50% beneficiary of a perpetual trust whose assets are held by a third party trustee. Casa Pacifica has legally enforceable rights or claims to 50% of the annual income. The carrying value of Casa Pacifica's share of this perpetual trust at June 30, 2023 was \$59,064.

The composition is as follows using Level 3 inputs:

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)		
	Beneficial Interest in Assets Held by Others	Beneficial Interest in Perpetual Trust	Total
Beginning value	\$ 136,913	\$ 59,453	\$ 196,366
Contributions	-	-	-
Distributions	(5,618)	-	(5,618)
Dividends and interest reinvested	805	-	805
Realized and unrealized gain (loss)	5,975	(389)	5,586
Less investments fees	-	-	-
Total	\$ 138,075	\$ 59,064	\$ 197,139

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**5. PROPERTY AND EQUIPMENT, NET**

Property and equipment at June 30, 2023 consists of the following:

	<u>Amount</u>
Buildings and improvements	\$ 23,758,255
Equipment and furnishings	3,963,203
Leasehold improvements	80,981
Vehicles	352,563
Work in progress	<u>262,342</u>
	28,417,344
Less accumulated depreciation	<u>(13,741,339)</u>
Total property and equipment, net	<u>\$ 14,676,005</u>

Total depreciation expense for the year ended June 30, 2023 was \$693,084.

**6. OTHER ACCRUED LIABILITIES**

Other accrued liabilities consisted of the following at June 30, 2023:

	<u>Amount</u>
DMH settlement reserves	\$ 612,482
Deferred compensation plan liability	
[See note 9]	478,240
Deferred rent liability	213,248
Self-insured retention	<u>60,000</u>
Total other accrued liabilities	<u>\$ 1,363,970</u>

**7. 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 November 5, 2024. 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 3.25% at June 30, 2023. There was no balance outstanding on the line of credit at June 30, 2023. 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, 2023.

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**8. IN-KIND CONTRIBUTIONS**

*Valuation Techniques & Inputs*

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 by Casa Pacifica if not provided by donation. Natural classifications of in-kind expenses for the year ended June 30, 2023 are as follows:

	<u>Amount</u>
Donated services	\$ 208,328
Supplies	<u>738,116</u>
	<u>\$ 946,444</u>

*In-Kind Services*

Contributed services recognized comprise of professional services. Such services are valued and reported at the estimated fair value in the financial statements based on current rates for similar services.

*Donor Restrictions*

There were no donor restrictions on any in-kind contributions received during the year ended June 30, 2023.

*Monetization of In-Kind Contributions*

Casa Pacifica does not monetize in-kind contributions and only distributes goods or uses the services for program use.

**9. EMPLOYEE BENEFIT PLAN**

*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 \$400,819 during the year ended June 30, 2023.

*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 \$478,240 at June 30, 2023, with the related assets included in investments.

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**10. LEASE COMMITMENTS**

Casa Pacifica leases facilities, vehicles, and equipment under operating leases with various terms. The components of lease cost for the year ended June 30, 2023 were as follows:

Operating lease cost	\$ 632,257
Operating cash flows from operating leases	\$ 2,245,643
Operating lease liability	\$ 2,351,169

Other information related to leases at June 30, 2023 was as follows:

Supplemental cash flow information –

Cash paid for amount included in the measurement of lease liabilities:	
Operating cash flow from operating leases	\$ 677,452

ROU assets obtained in exchange for lease obligations:	
Operating leases	\$ 2,502,283

Reductions to ROU assets resulting from reductions to lease obligations:	
Operating leases	\$ 151,114

Weighted average remaining lease term:	88 months
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Weighted average discount rate:	2.88%
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Maturities of lease liabilities under noncancellable operating leases as of June 30, 2023, are as follows:

Year Ending June 30;	Amount
2024	\$ 569,261
2025	724,067
2026	578,688
2027	473,391
2028	221,073
2029	203,471
Total undiscounted lease payments	2,769,951
Less present value discount:	(418,782)
Lease liability balance	<u>\$ 2,351,169</u>

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**11. 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, 2023, were as follows:

Event	Revenue	Contributions	Expenses	Total
Golf Tournament 9/22	\$ 56,710	\$ 14,550	\$ (42,361)	\$ 28,899
Spotlight on Style Fashion Show 11/22	265,004	8,860	(86,979)	186,885
Wine, Food & Brew Festival 6/23	713,974	564,755	(889,732)	388,997
Yummie Dinner 5/23	<u>232,270</u>	<u>41,740</u>	<u>(84,774)</u>	<u>189,236</u>
Total special events, net	<u>\$1,267,958</u>	<u>\$ 629,905</u>	<u>\$(1,103,846)</u>	<u>\$ 794,017</u>

**12. NET ASSETS WITHOUT DONOR RESTRICTIONS**

Net assets without donor restrictions consist of undesignated and Board designated amounts as follows at June 30, 2023:

	Amount
Undesignated	\$ 23,780,495
Board designated:	
Reserve fund	564,832
Endowment fund	<u>138,075</u>
Total net assets without donor restrictions	<u>\$ 24,483,402</u>

The Board designated endowment fund of \$138,075 is held with the Ventura County Community Foundation (refer to Note 2 and Note 3). The Board has also established a reserve fund to be used for capital and other projects.

**13. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are part of the net assets of Casa Pacifica resulting from contributions and other inflows of assets whose use by Casa Pacifica is limited by donor imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of Casa Pacifica pursuant to those stipulations.

Purpose	Balance at 7/1/22	Income	Expenditures	Balance at 6/30/23
Beneficial interest in perpetual trust	\$ 59,453	\$ (389)	\$ (-)	\$ 59,064
Education assistance	77,871	-	(2,957)	74,914
Homekey	-	1,659,169	(198,469)	1,460,700
Other programs	<u>568,191</u>	<u>803,889</u>	<u>(985,927)</u>	<u>386,153</u>
Total	<u>\$ 705,515</u>	<u>\$2,462,669</u>	<u>\$(1,187,353)</u>	<u>\$ 1,980,831</u>

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**14. ACCOUNTING FOR ENDOWMENTS**

*Interpretation of Relevant Law*

The Board of Directors of Casa Pacifica has interpreted State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted permanent endowment funds unless there are explicit donor stipulations to the contrary. As a result of this interpretation, Casa Pacifica classifies as net assets with donor restrictions (a) the original value of gifts donated to all donor-restricted permanent endowments, (b) the original value of any subsequent gifts to donor-restricted permanent endowments, and (c) the original value of accumulations to donor restricted permanent endowments made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of a donor-restricted permanent endowment fund is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by Casa Pacifica in a manner consistent with the standard of prudence prescribed by SPMIFA.

In accordance with SPMIFA, Casa Pacifica considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the endowment fund
- The purposes of Casa Pacifica and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of Casa Pacifica
- The investment policy of Casa Pacifica

The changes in endowment net assets for the year ended June 30, 2023, are as follows:

	<u>Board Designated</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, July 1, 2022	\$ 136,913	\$ 59,453	\$ 196,366
Investment return:			
Investment income	805	-	805
Net gains (realized and unrealized)	<u>5,975</u>	<u>(389)</u>	<u>5,586</u>
Total investment return	6,780	(389)	6,391
Distributions	<u>(5,618)</u>	<u>-</u>	<u>(5,618)</u>
Endowment net assets, June 30, 2023	<u>\$ 138,075</u>	<u>\$ 59,064</u>	<u>\$ 197,139</u>

The portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulation or by SPMIFA is \$76,031 at June 30, 2023. From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or SPMIFA requires Casa Pacifica to retain as a fund of perpetual duration. Deficiencies of this nature are reported in net assets without donor restrictions, when applicable. There were no such deficiencies as of June 30, 2023.

**CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES**  
**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**  
**(CONTINUED)**

**15. COMMITMENTS AND CONTINGENCIES**

*Governmental Funding*

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 \$711,188 for its DMH contracts [see Note 2 and Note 6]. 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.

*COVID-19*

On March 11, 2020 the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The ultimate financial impact and duration of these events cannot be reasonably estimated at this time.

*Legal*

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.

**CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES**  
**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**  
**(CONTINUED)**

**16. LIQUIDITY AND FUNDS AVAILABLE**

The total financial assets held by Casa Pacifica at June 30, 2023 and the amount of those financial assets that could be made available for general expenditure within one year of the date of the statement of financial position are summarized in the following table:

	June 30, 2023
Financial assets:	
Cash and cash equivalents	\$ 1,362,931
Contracts receivables, net	3,844,631
Promises to give	31,562
Investments	16,725,466
Total financial assets	21,964,590
Less restrictions:	
Contractual or donor-imposed restrictions:	
Restricted by donors with time or purpose restrictions	(1,980,831)
Endowment fund, for long term-investing	(138,075)
Net financial assets after donor-imposed restrictions	19,845,684
Financial assets available to meet cash needs for general expenditures within one year	\$ 19,845,684

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. Casa Pacifica also has access to a \$2,200,000 line of credit facility with the full amount available for borrowing at June 30, 2023. In addition, at June 30, 2023, Casa Pacifica has a Board designated endowment fund of \$138,075 and a Board designated reserve fund of \$564,832 that could be drawn upon with Board approval.

**17. SUBSEQUENT EVENTS**

Casa Pacifica has evaluated events subsequent to June 30, 2023, to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through December 13, 2023, 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 the following subsequent events occurred that require recognition or additional disclosure in the financial statements.

**INFORMATION REQUIRED BY *GOVERNMENT AUDITING STANDARDS*  
AND THE UNIFORM GUIDANCE**



**VASIN, HEYN & COMPANY**

ABOVE THE BRIGHT LINE

AN ACCOUNTANCY CORPORATION

CERTIFIED PUBLIC ACCOUNTANTS | AUDITORS AND ADVISERS

**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  
(A California Non-Profit Corporation)  
Camarillo, California

We have audited, in accordance with the 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, the financial statements of Casa Pacifica Centers for Children and Families (A California Non-Profit Corporation), which comprise the statement of financial position as of June 30, 2023 and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 13, 2023.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered Casa Pacifica Centers for Children and Families' internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of Casa Pacifica Centers for Children and Families' internal control.

*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 a 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Casa Pacifica Centers for Children and Families financial statements are free from 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 financial statements. 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*.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Casa Pacifica Centers for Children and Families' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Casa Pacifica Centers for Children and Families' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Voskin, Hryn + Co.

Calabasas, California  
December 13, 2023



**VASIN, HEYN & COMPANY**

ABOVE THE BRIGHT LINE

AN ACCOUNTANCY CORPORATION

CERTIFIED PUBLIC ACCOUNTANTS | AUDITORS AND ADVISERS

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

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

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Casa Pacifica Centers for Children and Families' (A California Non-Profit Corporation) compliance with the types of compliance requirements identified as subject to audit in the OMB *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, 2023. 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.

In our opinion, Casa Pacifica Centers for Children and Families complied, in all material respects, with the types of 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, 2023.

***Basis for Opinion on Each Major Federal Program***

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 the audit 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Casa Pacifica Centers for Children and Families and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Casa Pacifica Centers for Children and Families' compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Casa Pacifica Centers for Children and Families' federal programs.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Casa Pacifica Center for Children and Families' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Casa Pacifica Centers for Children and Families' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Casa Pacifica Centers for Children and Families' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Casa Pacifica Centers for Children and Families' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Casa Pacifica Centers for Children and Families' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### ***Report on 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 a 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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Vorlein, Heyn + Co.*

Calabasas, California  
December 13, 2023

**CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES**  
**(A California Non-Profit Corporation)**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**  
**FEIN: 77-0195022**

Federal & State Grantor/ Pass Through Grantor/ Program Title	Assistance Listing #	Pass-Through/ Award Number	Expenditures	Payments to Subrecipients
<b>FEDERAL FUNDING:</b>				
<b>U.S. Department of Health and Human Services</b>				
Passed Through the California Department of Social Services				
<b>Foster Care - Title IV-E</b>	<b>93.658</b>	1566.00.01/1566.00.02/ 1566.18.01/1566.01.02	<b>\$ 727,869</b>	<b>\$ -</b>
<b>Total U.S. Department of Health and Human Services</b>			<b>\$ 727,869</b>	<b>\$ -</b>
<b>U. S. Department of Agriculture</b>				
<i>Child Nutrition Cluster:</i>				
Passed Through the California Department of Social Services				
After School Snack Program				
<b>National School Lunch Program</b>	<b>10.555</b>	03072-SN-56-R	<b>\$ 7,194</b>	<b>\$ -</b>
Passed Through the California Department of Social Services				
<b>School Breakfast Program</b>	<b>10.553</b>	03072-SN-56-R	<b>16,641</b>	<b>-</b>
<b>Total Child Nutrition Cluster</b>			<b>\$ 23,835</b>	<b>\$ -</b>
Passed Through the California Department of Social Services				
<b>After School Snack Program - Program with no CFDA</b>	<b>10.03072-SN-56-R</b>	03072-SN-56-R	<b>1,602</b>	<b>-</b>
<b>Total U.S. Department of Agriculture</b>			<b>\$ 25,437</b>	<b>\$ -</b>
<b>TOTAL FEDERAL EXPENDITURES</b>			<b>\$ 753,306</b>	<b>\$ -</b>

**CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES**  
**(A California Non-Profit Corporation)**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**1. BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal and State Awards (the "Schedule") includes the Federal and State grant activity of Casa Pacifica Centers for Children and Families under programs of the federal and state government for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. 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 Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*., 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.

**3. DE MINIMIS INDIRECT COST RATE**

Casa Pacifica Centers for Children and Families did not elect to use the 10% de minimis indirect cost rate for the year ended June 30, 2023.

**4. LOAN AND LOAN GUARANTEE**

Casa Pacifica Centers for Children and Families did not have any balances of loan and loan guarantee programs outstanding at June 30, 2023 for loans described in 2 CFR section 200.50(b).

**5. AWARDS TO SUBRECIPIENTS**

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

**6. FAMILY FOSTER AGENCY EXPENDITURES**

Casa Pacifica had \$93,342 Federal funds expended for the Foster Family Agency program during the year ended June 30, 2023, and this amount is included in the Foster Care - Title IV-E line item in the Schedule.

**7. AMOUNTS PASSED THROUGH FROM COUNTY OF VENTURA**

Federal funds passed through the County of Ventura for the year ending June 30, 2023 totaled \$35,091 and are included in the total amount of federal expenditures reported within the Foster Care - Title IV-E program expenditures on the accompanying Schedule.

**CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES  
(A California Non-Profit Corporation)  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**Section I - Summary of Auditors' Results**

*Financial Statements*

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified.

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 Unmodified.

Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)? \_\_\_\_\_ 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

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

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.

**CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES**  
**(A California Non-Profit Corporation)**  
**SCHEDULE OF CURRENT AND PRIOR YEARS FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**CURRENT YEAR FINDINGS:**

**2023 Findings:**

There were no 2023 findings noted.

**2023 Questioned Costs:**

There were no 2023 questioned costs noted.

**PRIOR YEARS FINDINGS:**

**2022 Findings:**

There were no 2022 findings noted.

**2022 Questioned Costs:**

There were no 2022 questioned costs noted.

**2021 Findings:**

There were no 2021 findings noted.

**2021 Questioned Costs:**

There were no 2021 questioned costs noted.

**SUPPLEMENTAL SCHEDULES FOR DEPARTMENT OF SOCIAL SERVICES**

**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 Children and Families	PROGRAM NAME (IF DIFFERENT) THP + FC	CORPORATE NUMBER 1607658	PROGRAM NUMBER 1566.18.1	CORP. FISCAL OR CALENDAR YEAR (MO/YR-MO/YR) 7/22 - 6/23
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COST GROUPS	A TOTAL PROGRAM AND ADMIN COSTS	B OFFSETS (From other funding sources i.e. donation)	C THP+FC HOST HOME *	D THP+FC SINGLE AND REMOTE SITES *	E MANAGEMENT AND GENERAL	F PERCENTAGE OF TOTAL THP+FC COSTS
			PROGRAM COSTS	PROGRAM COSTS	ADMIN COSTS	

**I. Personnel Costs**

**Salary and Wages**

1. Executive Director Salary	\$ 22,308	\$ -	\$ -	\$ -	\$ 22,308	2.9%
2. Assistant Director Salary	-	-	-	-	-	0.0%
3. Case Managers	43,606	-	-	43,606	-	5.7%
4. Program Director/Administrator Salary	50,079	-	-	50,079	-	6.5%
5. Program Mgr./Supervisor	64,545	-	-	64,545	-	8.4%
6. Community Resource Staff	-	-	-	-	-	0.0%
7. Administrative Support Staff	36,512	-	-	36,512	-	4.8%
8. Housing Staff	78,475	-	-	78,475	-	10.2%
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	\$ 295,526	\$ -	\$ -	\$ 273,218	\$ 22,308	38.5%

**Fringe Benefits and Payroll Taxes**

12. Payroll Taxes	\$ 22,728	-	-	\$ 22,728	-	3.0%
13. Workers' Compensation Insurance	216	-	-	216	-	0.0%
14. Retirement	3,398	-	-	3,398	-	0.4%
15. Health, Dental, Vision, etc.	16,770	-	-	16,770	-	2.2%
16. Other (attach detail)	96	-	-	96	-	0.0%
Sub-total Fringe Benefits & Payroll Taxes	\$ 43,208	\$ -	\$ -	\$ 43,208	\$ -	5.6%

**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%
<b>TOTAL Personnel Costs</b>	<b>\$ 338,734</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 316,426</b>	<b>\$ 22,308</b>	<b>44.1%</b>

**II. Operational Costs**

**Operating**

20. Advertising & Recruitment	\$ 200	\$ -	\$ -	\$ 200	\$ -	0.0%
21. Conferences, Meetings, In-Service Training	35	-	-	35	-	0.0%
22. Home & Sites Support & Training	-	-	-	-	-	0.0%
23. Liability Insurance	-	-	-	-	-	0.0%
24. Office, Program & Training Supplies	10,119	-	-	10,119	-	1.3%

25. Professional & Auditing Fees		-						0.0%	
26. Administrative Contracts		16,510				16,510		2.2%	
27. Licenses and Permits		2,628				2,628		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.)		545				545		0.1%	
Sub-total Operating	\$	30,037	\$	-	\$	30,037	\$	-	3.9%
<b>Occupancy</b> %									
31. Rent (or cost of ownership #32-35)	\$	37,227	\$	-	\$	37,227	\$	-	4.8%
32. Mortgage Interest (building & related)		-				-			0.0%
33. Property Insurance		-				-			0.0%
34. Property Tax		-				-			0.0%
35. Building Repair & Maintenance		-				-			0.0%
36. Utilities		18,697				18,697			2.4%
Sub-total Occupancy	\$	55,924	\$	-	\$	55,924	\$	-	7.3%
<b>Travel and Automobile</b> %									
37. Gas, Oil, Maintenance & Repair	\$	-	\$	-	\$	-	\$	-	0.0%
38. Staff Mileage Reimbursement Costs		-				-			0.0%
39. Leased Vehicles and Utilities		14,651				14,651			1.9%
40. Auto Insurance		-				-			0.0%
41. Auto Loan Interest Payment		-				-			0.0%
Sub-total Travel and Automobile	\$	14,651	\$	-	\$	14,651	\$	-	1.9%
<b>TOTAL OPERATIONAL COSTS</b>	\$	<b>100,612</b>	\$	<b>-</b>	\$	<b>100,612</b>	\$	<b>-</b>	<b>13.1%</b>
<b>III. Direct Client Costs</b>									
42. Monthly Rental Subsidy (or cost of ownership #43-46)	\$	37,227	\$	-	\$	37,227	\$	-	4.8%
43. Mortgage Interest (building & related)		-				-			0.0%
44. Property Insurance		20,420				20,420			2.7%
45. Property Tax		-				-			0.0%
46. Building Repair & Maintenance		91,552				91,552			11.9%
47. Security Deposit		-				-			0.0%
48. Utilities, Telephone and Internet		14,815				14,815			1.9%
49. Furnishings/Household Items		-				-			0.0%
50. Client Allowance (personal necessities, food, clothing stipend/laundry, transportation)		50,587				50,587			6.6%
51. Infant Allowance		-				-			0.0%
52. Other (attach detail)		113,775				113,775			14.8%
<b>TOTAL Direct Client Costs</b>	\$	<b>328,376</b>	\$	<b>-</b>	\$	<b>328,376</b>	\$	<b>-</b>	<b>42.8%</b>
<b>GRAND TOTAL PROGRAM &amp; ADMIN COSTS</b>	\$	<b>767,721</b>	\$	<b>-</b>	\$	<b>745,413</b>	\$	<b>22,308</b>	<b>100.0%</b>

Fundraising Costs (attach detail)	\$	-
Equipment and Property Purchased (attach detail)	\$	-
Other Expenses Paid With Donated & Raised Funds (attach detail)	\$	-
Organization & Start-up Costs (attach detail)	\$	-

**NUMBER OF YOUTH BY MONTH**

1 2 3 4 5 6

YEAR(S) - fiscal year will have two different years.....	2022	2022	2022	2022	2022	2022
NAME OF MONTH - (Jan-Dec or fiscal year months).....	Jul	Aug	Sept	Oct	Nov	Dec
NUMBER OF YOUTH.....	8	10	11	9	8	9

**TRANSITIONAL HOUSING PROGRAM PLUS FOSTER CARE PROGRAM**  
**COST REPORT INSTRUCTIONS - (THP+FC-1A)**

**PURPOSE:**  
The Transitional Housing Program Plus Foster Care (THP+FC) Cost Report (THP+FC-1A) captures the actual, allowable, and reasonable costs incurred for the reporting period.

**INSTRUCTIONS FOR COMPLETION:**  
Complete one report for each THP+FC program.  
Describe the methodology used to allocate costs if other than the standard allocation methodology indicated in the current Foster Care Group Home Regulations (MPP section 11-402.8 et seq.).  
Enter the THP+FC Host Home, Single, and/or Remote Site costs and amounts under Column C through E, respectively. Please report all amounts to the nearest whole dollar.

**Corporate/Licensee Name:** Enter the Corporate/Licensee name shown on the most recent THP+FC Program Non-Minor Dependent Rate Application (SOC 179).  
**Program Name:** Enter the THP+FC Program Name if different from the Corporate/Licensee name.  
**Corporate Number:** Enter the corporate number issued by the California Secretary of State.  
**Program Number:** Enter the THP+FC program number assigned by the Department (e.g., 1234.18.01).  
**Reporting Period:** Each THP+FC cost report shall be on an accrual basis consistent with the method used to report costs on the annual Financial Audit Report (FAR) for the fiscal or calendar year.  
For the reporting period, enter the first month and year and the last month and year for the fiscal or calendar year.

**COSTS GROUPS: THE COST GROUP DEFINITIONS ARE AS FOLLOWS:**

**I. Personnel Costs**  
**a. Salary and Wages**  
Line 1. **Executive Director Salary:** Report annual salary for person designated as the THP+FC Executive Director.  
Line 2. **Assistant Director Salary:** Report annual salary for person(s) designated as the THP+FC Assistant Executive Director.  
Line 3. **Case Managers:** All THP+FC costs related to case management activities which include but is not limited to, recruitment, intake, screening, and youth placement. Do not include THP+FC costs related to social work activities.  
Line 4. **Program Director/Administrator Salary:** Report annual salary of person responsible for the day to day administration of the agency's THP+FC program.  
Line 5. **Program Mgr./Supervisor:** Report annual salary for person responsible for case planning, management, and administrative activities to include, but is not limited to, managing staff, monitoring daily activities, training, qual  
Line 6. **Community Resource Staff:** Report salary for all staff responsible for community resource development and administrative activities to include, but is not limited to, recruitment, training, community outreach, fund raising,  
Line 7. **Administrative Support Staff:** Report salary for all staff responsible for administrative support to the management team to include, but is not limited to, general clerical duties and maintaining client and housing unit files.  
Line 8. **Housing Staff:** Report salary of all staff responsible for housing activities to include, but is not limited to, assisting in securing housing, processing lease agreements, facility maintenance, and moving youth in/out of facilities  
Line 9. **Social Worker Salary:** Report annual salary for all social workers (not independent contractors).  
Line 10. **Peer Advocate (Youth Position):** Report salary of all hired youth providing participant support and administrative activities to include, but is not limited to, providing one on one life skills training, education and coaching,  
Line 11. **Other Personnel Costs (attach detail):** Report salaries for staff not mentioned previously.

**b. Fringe Benefits and Payroll Taxes**  
Lines 12-16: Report fringe benefits costs and payroll taxes including employer's contributions to a retirement plan for THP+FC employees. Other costs include such items as employer-paid disability insurance, life insurance, etc.

**c. Contracted Services**  
Lines 17-19: Report costs related to contracted direct social work services and activities which include development of needs, services and discharge plans, group and individual counseling and interaction.

**II. Operational Costs**  
**a. Operating**  
Lines 20-41: Report operating, occupancy, and travel costs, which are reasonable, ordinary, and necessary for the operation of the organization or the performance of the award and are adequately documented.

Note: Costs related to travel include vehicle leases, mileage reimbursement costs, auto loan principal and interest payments, operating costs, and transportation of the youth.  
Reasonable annual lease costs for automobile are subject to Internal Revenue Service guidelines for business use that are in effect at the time vehicle costs are incurred.  
Vehicle costs incurred from leaseback transactions are unallowable.

**III. Direct Client Costs**  
Lines 42-52: Report all direct client costs for example, but not limited to, costs for housing, property taxes, building repairs, utilities, furnishings, and allowances.

**OTHER REQUESTED INFORMATION AND COSTS:**  
**FUNDRAISING COSTS**  
Report fundraising costs and expenses incurred to raise capital or obtain contributions.  
**EQUIPMENT AND PROPERTY PURCHASED**  
Report costs for the acquisition of equipment and property used in the THP+FC program.  
**OTHER EXPENSES PAID WITH DONATED FUNDS**  
Report other costs paid with donated and raised funds.  
**ORGANIZATION & START UP COSTS**  
Report costs connected with the establishment of the THP+FC program, primarily for new providers.  
**NUMBER OF YOUTH IN PROGRAM**  
Report the number of youth in the THP+FC program for each month in the reporting period.  
End Worksheet

**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)  7/2022 - 6/2023	
<b>REVENUE GROUPS</b>	<b>PROGRAM/OTHER REVENUE</b>
<b>I. Program Revenue</b> (including infant supplement, etc.)	
1 - THP + FC Revenue	\$ 405,988.00
2	-
3	-
4	-
<b>TOTAL Direct Program Revenue</b>	\$ 405,988.00
<b>II. Other Revenue</b> (Donations, Fundraising, Refunds, Etc.)	
5	\$ 361,726.00
6	-
7	-
8	-
<b>TOTAL Other Revenue</b>	\$ 361,726.00
<b>GRAND TOTAL REVENUE</b>	\$ <b>767,714.00</b>

**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 Childen and Families		Foster Family Agency		1607658		1566.01.02		7/01/22 - 6/30/23	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)		
LINE	LINE ITEMS OF COST	TOTAL (SUM OF COLS. 3 THRU 6)	ADMINISTRATION	RECRUITMENT	TRAINING	SOCIAL WORK	EXPLANATION		
100a	Executive Director Salary	6315.57	6315.57						
100b	Assistant Director Salary	0				0			
100c	Administrator Salary	0							
100d	All Other Administrative Salaries	48420.94	48420.94						
101	Recruitment Payroll	0							
102	Training Payroll	0							
110	Administrative Contracts	404	404.00						
121	Telephone	0	0						
122	Postage and Freight	0							
123	Office Supplies	0	0						
132	Conferences, Meetings, In-Service Training	0	0						
133	Memberships, Subscriptions, Dues	1359	1359.00						
134	Printing, Publications	0							
135	Bonding, General Insurance	0	0						
137	Advertising	0							
138	Miscellaneous	33181	33181.00						
		89680.51	89680.51 <sup>0</sup>	0	0	89680.51 <sup>0</sup>	0	0	
200	Building and Equipment Payroll	0							
211	Building Rents and Leases	9713	9713.00						
214	Acquisition Mortgage Principal & Interest	0							
215	Property Appraisal Fees	0							
216	Property Taxes	0							

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

Number of months in cost reporting period 12

CORPORATE/LICENSEE NAME		CORPORATE NUMBER (IF DIFFERENT)		CORPORATE NUMBER		PROGRAM NUMBER		AGENCY FISCAL YEAR (MO/ YR - MO/ YR)	
Casa Pacifica Centers for Childen and Families		Foster Family Agency		1607658		1566.01.02		7/01/22 - 6/30/23	
(1) LINE	(2) LINE ITEMS OF COST	(3) TOTAL (SUM OF COLS. 4 THRU 7)	(4) ADMINISTRATION	(5) RECRUITMENT	(6) TRAINING	(7) SOCIAL WORK	(8) EXPLANATION		
217	Building and Equipment Insurance	2910 0	2910.00						
221	Utilities	1903 0	1903.00						
222	Building Maintenance	125 0	125.00						
223	Building and Equipment Contracts	0 0							
224	Building and Equipment Supplies	2963 0	2963.00						
225	Equipment Leases	0 0							
226	Equipment Depreciation Expense	0 0							
227	Expendable Equipment	0 0							
228	Building and Equipment Miscellaneous	0 0							
241	Vehicle Leases	3441.6 0	3441.60					0	
242	Vehicle Depreciation	0 0	0	0	0	0	0	0	
243	Vehicle Operating Costs	1443.89 0	1443.89 0	0	0	0	0	0	
		22499.490	22499.49 0	0 0	0 0	0 0	0 0	0 0	
350	Total Paid to Certified Family Homes	91755 0	91755.00 0	0	0	0	0	0	
352	Other Child-Related Costs, Not Provided by Certified Family Homes	1008 0	1008.00						
		92763 0	92763 0	0 0	0 0	0 0	0 0	0 0	
410	Social Worker Payroll and/or Social Worker Contract	0 0						0	
440	Direct Care Contracts	0 0						0	
		0 0 0		0	0	0	0	0 0	
500	<b>TOTAL EXPENSES</b>	204943 0	204943 0	0 0	89680.510	0	0	0	

### GROUP HOME PROGRAM COST 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 activities, (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 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	PROGRAM FISCAL YEAR (MO /YR - MO /YR)
Casa Pacifica Centers for Children and Families	Residential Treatment Center	1607658	1566.0.01	7/22 - 6/23

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	\$2,323,310			\$2,323,310	56.9%	
2	Social Work Activity						
3	Food	\$184,969			\$184,969	4.5%	
4a	Shelter Costs - Building Rent & Leases						
4b	Shelter Costs - Approved by Attorney General Self-Dealing Transactions Affiliated Leases	\$119,612			\$119,612	2.9%	
4c	Shelter Costs - Acquisition Mortgage: Principal & Interest						
5	Building & Equipment	\$457,196			\$457,196	11.2%	
6	Utilities	5,964.98			5,964.98	0.1%	
7	Vehicles & Travel	\$76,740			\$76,740	1.9%	
8	Child-Related	32,395.49			32,395.49	0.8%	
9a	Executive Director Salary						
9b	Assistant Director Salary						
9c	Administrator Salary						
9d	All Other Admin. Salaries						
9e	Financial Audit Costs						
9f	Administration (Minus Admin. Salaries and Financial Audit Costs)	\$880,949			\$880,949	21.6%	
	<b>TOTAL</b>	<b>\$4,081,137</b>			<b>\$4,081,137</b>	<b>100%</b>	

<b>CDSS USE ONLY</b>							<b>KDE DATE</b>
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**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 and Fa	CORPORATE NUMBER: 1607658	PROGRAM NUMBER 1566 00 01	PROVIDER FISCAL YR (MO/YR - MO/YR) 07 22 06 23
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	(1) Child Care & Supervision	(2) Social Work Activities	(3) CDSS USE ONLY
I. PAYROLL (DO NOT INCLUDE BENEFITS)	\$1,928,470		
II. FRINGE BENEFIT EXPENSE			
1. FICA Employer Tax (include MEDICARE)	\$141,646		
2. Unemployment Coverage (State & Federal)	\$406		
3. Workers' Compensation Insurance	\$8,020		
4. Medical Insurance Expense	\$211,591		
5. Retirement	\$33,178		
6. Other (Specify on back of form)			
TOTAL FRINGE BENEFITS (Add Lines 1 through 6)	\$394,841	\$0	
III. TOTAL PAYROLL & FRINGE BENEFITS	\$2,323,311	\$0	
IV. CONTRACTOR COSTS			
V. TOTAL (Add Line III and Line IV) Transfer to Column A, Lines 1 and 2, Cost Report (SR 3)	\$2,323,311	\$0	

**CDSS USE ONLY**