

**CASA PACIFICA CENTERS FOR
CHILDREN AND FAMILIES**

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

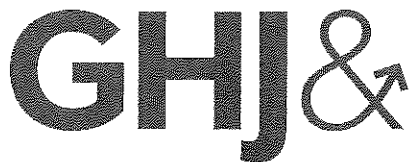
CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

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WE ARE AN INDEPENDENT MEMBER OF
THE GLOBAL ADVISORY
AND ACCOUNTING NETWORK

AUDIT AND ASSURANCE

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of Casa Pacifica Centers for Children and Families (Casa Pacifica), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Casa Pacifica as of June 30, 2021, 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.

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

Report on Summarized Comparative Information

We have previously audited Casa Pacifica's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 25, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters - Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 6, 2022 on our consideration of Casa Pacifica's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Casa Pacifica's internal control over financial reporting and compliance.

Green Hasson & Janks LLP

April 6, 2022
Los Angeles, California

CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES

STATEMENT OF FINANCIAL POSITION June 30, 2021 With Summarized Totals at June 30, 2020

ASSETS	2021			2020 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
Cash	\$ 3,102,595	\$ 119,274	\$ 3,221,869	\$ 4,674,830
Investments	1,273,503	87,551	1,361,054	1,151,739
Contracts Receivable (Net)	2,413,941	-	2,413,941	3,307,153
Pledges Receivable	25,000	-	25,000	-
Prepaid Expenses and Other Assets	608,908	-	608,908	377,393
Beneficial Interest in Assets Held by Others	148,408	-	148,408	117,344
Beneficial Interest in Perpetual Trust	-	296,043	296,043	258,657
Property and Equipment (Net)	15,550,043	-	15,550,043	16,090,690
TOTAL ASSETS	\$ 23,122,398	\$ 502,868	\$ 23,625,266	\$ 25,977,806
LIABILITIES AND NET ASSETS				
LIABILITIES:				
Accounts Payable	894,013	-	894,013	655,606
Accrued Payroll Liabilities	2,078,922	-	2,078,922	2,095,841
Other Accrued Liabilities	1,887,261	-	1,887,261	1,787,165
Line of Credit	-	-	-	802,362
Note Payable	-	-	-	750,000
Paycheck Protection Program Loan	-	-	-	4,029,816
TOTAL LIABILITIES	4,860,196	-	4,860,196	10,120,790
NET ASSETS:				
Without Donor Restrictions	18,262,202	-	18,262,202	15,420,098
With Donor Restrictions	-	502,868	502,868	436,918
TOTAL NET ASSETS	18,262,202	502,868	18,765,070	15,857,016
TOTAL LIABILITIES AND NET ASSETS	\$ 23,122,398	\$ 502,868	\$ 23,625,266	\$ 25,977,806

The Accompanying Notes are an Integral Part of These Financial Statements

CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES

STATEMENT OF ACTIVITIES

Year Ended June 30, 2021

With Summarized Totals for the Year Ended June 30, 2020

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	Total
PROGRAM SERVICE REVENUE:				
Government Grants and Contracts	\$ 17,695,614	\$ -	\$ 17,695,614	\$ 18,255,470
Patient Care Services Contracts	5,562,633	-	5,562,633	4,913,180
Special Education Contracts	2,566,805	-	2,566,805	2,700,194
TOTAL PROGRAM SERVICE REVENUE	25,825,052	-	25,825,052	25,868,844
PUBLIC SUPPORT:				
Grants and Contributions	1,942,153	129,000	2,071,153	2,108,201
Special Events (Net of Costs of Direct Donor Benefits of \$82,131)	28,325	-	28,325	218,566
Contributed Goods and Services	297,670	-	297,670	343,590
TOTAL PUBLIC SUPPORT	2,268,148	129,000	2,397,148	2,670,357
TOTAL PROGRAM SERVICE REVENUE AND PUBLIC SUPPORT	28,093,200	129,000	28,222,200	28,539,201
OPERATING EXPENSES:				
Program Services	24,009,341	-	24,009,341	24,687,413
Management and General	5,465,219	-	5,465,219	4,810,654
Fundraising	940,494	-	940,494	860,060
TOTAL OPERATING EXPENSES	30,415,054	-	30,415,054	30,358,127
Net Assets Released from Donor Restrictions	100,436	(100,436)	-	-
CHANGE IN NET ASSETS FROM OPERATIONS	(2,221,418)	28,564	(2,192,854)	(1,818,926)
Investment Return (Net)	246,997	-	246,997	38,464
Change in Value of Beneficial Interest in Perpetual Trust	-	37,386	37,386	(38,548)
Paycheck Protection Program Loan Forgiveness	4,029,816	-	4,029,816	-
Note Payable Forgiveness	750,000	-	750,000	-
Other Income	36,709	-	36,709	11,881
CHANGE IN NET ASSETS	2,842,104	65,950	2,908,054	(1,807,129)
Net Assets - Beginning of Year	15,420,098	436,918	15,857,016	17,664,145
NET ASSETS - END OF YEAR	<u>\$ 18,262,202</u>	<u>\$ 502,868</u>	<u>\$ 18,765,070</u>	<u>\$ 15,857,016</u>

The Accompanying Notes are an Integral Part of These Financial Statements

CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2021

With Summarized Totals for the Year Ended June 30, 2020

	2021					2020				
	Program Services			Supporting Services		2020			2020	
	Campus Services	Community Services	School Services	Private Programs	Management and General	Fundraising	Total	Total Expenses	Total Expenses	Total Expenses
Salaries and Wages	\$ 5,561,737	\$ 5,089,149	\$ 1,547,644	\$ 3,143,548	\$ 2,923,010	\$ 537,651	\$ 3,460,661	\$ 18,802,739	\$ 18,577,128	\$ 18,577,128
Payroll Taxes	405,956	373,791	114,526	225,310	202,272	40,483	242,755	1,362,338	1,321,113	1,321,113
Employee Benefits	883,651	944,973	316,721	481,297	419,668	65,857	485,525	3,112,167	2,963,542	2,963,542
TOTAL PERSONNEL COSTS	6,851,344	6,407,913	1,978,891	3,850,155	3,544,950	643,991	4,188,941	23,277,244	22,861,783	22,861,783
Advertising and Recruiting	18,744	16,098	5,514	110,815	90,694	4,790	95,484	246,655	238,657	238,657
Auto Expense	69,287	217,483	68,265	26,291	9,466	352	9,818	391,144	401,212	401,212
Child Related Costs	222,483	38,252	442	25,723	15,730	28,816	44,546	331,446	363,073	363,073
Computer and Technology	162,203	135,438	49,921	74,812	70,253	46,312	116,565	538,939	419,315	419,315
Conferences and Meetings	12,026	2,973	4,158	3,310	3,025	384	3,409	25,876	157,252	157,252
Contributed Goods and Services	28,507	2,503	521	2,151	335	90,491	90,826	124,508	296,447	296,447
Depreciation	195,235	2,646	93,040	146,299	220,370	14,664	235,034	672,254	765,534	765,534
Equipment Maintenance and Rental Costs	48,477	25,774	11,341	18,250	53,425	2,333	55,758	159,600	194,757	194,757
Facilities Rental	800	446,670	1,039	26,718	126,689	296	126,985	602,212	680,439	680,439
Food Costs	374,282	-	8,126	176,791	-	-	-	559,199	555,663	555,663
Insurance	124,338	144,033	41,849	77,887	58,305	7,729	66,034	454,141	369,981	369,981
Interest	1,338	-	-	1,338	95,415	15,000	110,415	111,753	70,604	70,604
Office Expenses	12,574	6,281	1,810	3,747	57,792	2,002	59,794	84,206	126,919	126,919
Other Operating Expenses	9,927	55	2,319	2,826	45,981	46,407	92,388	107,515	130,872	130,872
Outside Services	88,938	242,741	22,732	235,548	255,544	11,875	267,419	857,378	745,433	745,433
Professional Fees	4,016	3,147	43,494	59,500	400,014	-	400,014	510,171	426,649	426,649
Provision for Uncollectible Contracts Receivable	-	-	-	-	141,617	-	141,617	141,617	108,000	108,000
Repairs and Maintenance	138,857	30,487	35,903	64,262	96,388	5,496	101,884	371,393	460,634	460,634
Supplies	45,583	15,302	14,915	29,506	14,205	3,820	18,025	123,331	224,532	224,532
Taxes and Licenses	10,381	7,702	4,034	2,323	23,360	81	23,441	47,881	124,975	124,975
Telephone	73,448	132,017	17,780	35,261	41,796	7,088	48,884	307,390	293,157	293,157
Transportation and Travel	266	35,416	1,349	3,836	8,284	2,921	11,205	52,072	81,466	81,466
Utilities	86,722	38,164	36,302	58,714	91,581	5,646	97,227	317,129	260,773	260,773
TOTAL 2021 FUNCTIONAL EXPENSES	\$ 8,579,776	\$ 7,951,095	\$ 2,443,745	\$ 5,034,725	\$ 5,465,219	\$ 940,494	\$ 6,405,713	\$ 30,415,054	\$ 30,358,127	\$ 30,358,127
								100%		100%
TOTAL 2020 FUNCTIONAL EXPENSES	\$ 10,130,448	\$ 7,101,467	\$ 3,023,886	\$ 4,431,612	\$ 4,810,654	\$ 860,060	\$ 5,670,714			
								3%		100%

The Accompanying Notes are an Integral Part of These Financial Statements

CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES

STATEMENT OF CASH FLOWS Year Ended June 30, 2021 With Summarized Totals for the Year Ended June 30, 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 2,908,054	\$ (1,807,129)
Adjustments to Reconcile Change in Net Assets to Net Cash Used in Operating Activities:		
Depreciation	672,254	765,534
Provision for Uncollectible Contracts Receivable	141,617	108,000
Paycheck Protection Program Loan Forgiveness	(4,029,816)	-
Note Payable Forgiveness	(750,000)	-
Net Unrealized and Realized Gains on Investments	(208,772)	(27,940)
Change in Value of Beneficial Interest in Assets Held by Others	(31,064)	(2,872)
Change in Value of Beneficial Interest in Perpetual Trust	(37,386)	38,548
Net Contributions of Program Supplies	(163,647)	(18,842)
Contributions of Beneficial Interest in Perpetual Trust	-	(307,205)
Contributions Restricted for Capital Campaign	-	-
(Increase) Decrease in:		
Contracts Receivable	751,595	855,862
Pledges Receivable	(25,000)	-
Prepaid Expenses and Other Assets	(67,868)	(62,985)
Increase (Decrease) in:		
Accounts Payable	238,407	(409,572)
Accrued Payroll Liabilities	(16,919)	478,932
Other Accrued Liabilities	100,096	73,456
NET CASH USED IN OPERATING ACTIVITIES	(518,449)	(316,213)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of Investments	(207,010)	(15,304)
Proceeds from Sales of Investments	206,467	21,703
Distributions from Beneficial Interest in Assets Held by Others	-	24,325
Distributions from Beneficial Interest in Perpetual Trust	-	10,000
Purchases of Property and Equipment	(131,607)	(207,970)
NET CASH USED IN INVESTING ACTIVITIES	(132,150)	(167,246)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from (Repayments on) Line of Credit (Net)	(802,362)	802,362
Proceeds from Paycheck Protection Program Loan	-	4,029,816
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(802,362)	4,832,178
NET INCREASE (DECREASE) IN CASH	(1,452,961)	4,348,719
Cash - Beginning of Year	4,674,830	326,111
CASH - END OF YEAR	<u>\$ 3,221,869</u>	<u>\$ 4,674,830</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash Paid during the Year for Interest	<u>\$ 28,943</u>	<u>\$ 62,103</u>

The Accompanying Notes are an Integral Part of These Financial Statements

CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 1 - ORGANIZATION

Casa Pacifica Centers for Children and Families (Casa Pacifica) was conceived as a state of the art residential trauma care and treatment center designed to provide comprehensive assessment, treatment, medical, and education services in the context of 24-hour care to meet the needs of Ventura County's most vulnerable children. The public/private collaboration that resulted opened in 1994 and remains unique in the State.

In 2000, Casa Pacifica extended its services off-campus and into the Ventura County community through an intensive, behavioral service intended to be an ancillary, last effort intervention delivered in their homes for children in jeopardy of being removed. In 2003, at the request of Santa Barbara County, Casa Pacifica began providing this same Therapeutic Behavioral Service (TBS) to that community as well. Over the last 18 years, Casa Pacifica's programs and services have continued to grow to respond to the increasing needs of the community including services to foster youth "aging out" of child welfare. Most recently, in response to changing public policy initiatives and local needs, Casa Pacifica converted half its shelter beds to brief residential treatment for youth from the private sector through contracts with commercial insurance companies such as Kaiser. In addition, in keeping with a "once in a generation" foster care reform effort effective January 2017, Casa Pacifica obtained a new license called Short-Term Residential Therapeutic Program (STRTP) to continue to provide more intensive residential services to foster care youth with complex trauma and significant behavioral and emotional challenges.

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

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

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

CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 1 - ORGANIZATION (continued)

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF PRESENTATION

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

(b) NET ASSETS

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

- **Net Assets Without Donor Restrictions.** Net assets available for use in general operations and not subject to donor-imposed restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a reserve fund and a board-designated endowment.
- **Net Assets With Donor Restrictions.** Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) and/or the related conditions are substantially met in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from donor restrictions.

(c) 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.

CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) INVESTMENTS (continued)

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.

(d) CONTRACTS RECEIVABLE AND RELATED REVENUES

Contracts receivable are recorded when billed or accrued and represent claims against third parties that will be settled in cash. The carrying value of receivables, net of the allowance for doubtful accounts, represents their estimated net realizable value. The allowance for doubtful accounts is estimated based on historical collection trends, type of customer, the age of outstanding receivables and existing economic conditions. If events or changes in circumstances indicate that specific receivable balances may be impaired, further consideration is given to the collectability of those balances and the allowance is adjusted accordingly. Past due receivable balances are written off when internal collection efforts have been unsuccessful in collecting the amount due. At June 30, 2021, Casa Pacifica has established an allowance for doubtful accounts in the amount of \$57,189.

A portion of Casa Pacifica's revenue is derived from fee-for-service and cost reimbursement grants and contracts, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Such grants are generally considered nonreciprocal transactions restricted by the awarding agencies for certain purposes. Amounts received are recognized as revenue when Casa Pacifica has satisfied the specific performance requirements or incurred expenditures in compliance with specific contract or grant provisions. Casa Pacifica has elected to adopt a policy whereby donor-restricted grants and contributions that were initially conditional and whose conditions and restrictions are met in the same reporting period are recognized as revenue without donor restrictions. Amounts received prior to incurring qualifying expenditures or fulfilling the specific performance obligations are reported as refundable advances in the statement of financial position.

CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) CONTRACTS RECEIVABLE AND RELATED REVENUES (continued)

A significant portion of Casa Pacifica's income is derived from programs passed through from several California County Departments of Mental Health (DMH) and involves local, state and federal government funds. Contract service payments are generally provided monthly, but are subject to approval, audit and retroactive adjustment by the various funding agencies. Final settlements with the various funding agencies are taking from six to eight years, with initial findings in many cases not available for one to two years after funding. As a result, at June 30, 2021, Casa Pacifica has established a reserve in the amount of \$745,784 for possible uncollected or disallowed DMH revenues for all fiscal years for which final settlements have not been reached.

Casa Pacifica generates revenue from contracts with customers from its patient care services contracts, as well as special education and other non-public school services.

Patient care services include residential room and board and mental health services, as well as educational services and outpatient therapies and assessments. Revenue recognition for such services is based upon contracted rates ranging from daily to monthly services, pro-rated to the number of authorized days of care. Services are billed to insurance providers on a monthly basis. Revenue from such contracts is recognized over time during the period of service when the respective performance obligations are satisfied. Revenues from patient care services totaled \$5,562,633 during the year ended June 30, 2021.

Casa Pacifica has master contracts with various school districts for the provision of special education and other non-public school services for each individual child. Services are generally billed based on a pre-determined rate by the school district on a per unit of service or per child basis. Revenue from such contracts is recognized over time during the period of service when the respective performance obligations are satisfied. Revenues from special education and other non-public school services totaled \$2,566,805 during the year ended June 30, 2021.

(e) CONTRIBUTIONS AND PLEDGES RECEIVABLE

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. Pledges receivable 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 pledges receivable, and are adjusted annually.

CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) CONTRIBUTIONS AND PLEDGES RECEIVABLE (continued)

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.

(f) CONCENTRATIONS

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

The contracts receivable balance outstanding at June 30, 2021, consists primarily of government contract receivables due from the county, state, and federal granting agencies as well as from third-party insurance payers and are generally unsecured. Management evaluates the collectability of these balances and establishes an allowance for uncollectible amounts based on this evaluation.

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

(g) BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

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

(h) 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.

CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) PROPERTY AND EQUIPMENT

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

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

(j) 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, 2021.

(k) PAYCHECK PROTECTION PROGRAM (PPP) LOAN

Management elected to account for the forgivable loan received under the Paycheck Protection Program (PPP) provisions of the Coronavirus Aid, Relief, and Economic Security (CARES) Act as a debt instrument and to accrue interest on the outstanding loan balance. Additional interest at a market rate (due to the stated interest rate of the PPP loan being below market) is not imputed, as transactions where interest rates are prescribed by governmental agencies are excluded from the scope of the accounting guidance on imputing interest. The proceeds from the loan were recorded as a liability until the loan had been wholly forgiven and Casa Pacifica had been legally released from the debt, which occurred during the year ended June 30, 2021.

CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(I) INCOME TAXES

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

In accordance with the Financial Accounting Standards Board (FASB) ASC Topic No. 740, *Uncertainty in Income Taxes*, Casa Pacifica recognizes the impact of tax positions in the financial statements if that position is more likely than not to be sustained on audit, based on the technical merits of the position. During the year ended June 30, 2021, Casa Pacifica performed an evaluation of uncertain tax positions and did not identify any matters that would require recognition in the financial statements or which might have an effect on its tax-exempt status.

(m) CONTRIBUTED GOODS AND SERVICES

Contributions of donated non-cash assets are recorded at fair value in the period received. Contributions of donated services are recognized if the services received (a) create or enhance long-lived assets, or (b) require specialized skills, were provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. In-kind contributions of \$297,670 were received during the year ended June 30, 2021, which satisfied the criteria for recognition. Additionally, Casa Pacifica received \$15,316 of contributed goods and services for its fundraising special events, and this amount is included in the net special events revenue in the statement of activities.

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

(n) FUNCTIONAL ALLOCATION OF EXPENSES

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

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of Casa Pacifica. Fundraising costs are expensed as incurred, even though they may result in contributions received in future years.

CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) 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.

(p) COMPARATIVE TOTALS

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with Casa Pacifica's financial statements for the year ended June 30, 2020, from which the summarized information was derived.

(q) RECLASSIFICATIONS

Certain reclassifications have been made to the prior year's financial statements to conform to the current year presentation. These reclassifications had no effect on previously reported results of operations or net assets.

(r) NEW ACCOUNTING PRONOUNCEMENTS

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

CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) NEW ACCOUNTING PRONOUNCEMENTS

Casa Pacifica implemented this ASU during the year ended June 30, 2021. There was no significant impact to Casa Pacifica's financial statements as a result of the implementation of the ASU, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

In February 2016, FASB issued ASU No. 2016-02, *Leases*, which is intended to improve financial reporting about leasing transactions. The new standard will require organizations that lease assets with terms of more than 12 months to recognize on the statement of financial position the assets and liabilities for the rights and obligations created by those leases. The ASU also will require disclosures to help financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases. These disclosures include qualitative and quantitative requirements and provide additional information about the amounts recorded in the financial statements. For Casa Pacifica, the ASU will be effective for the year ending June 30, 2023.

In September 2020, FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU is intended to improve transparency in the reporting of contributed nonfinancial assets (also known as gifts-in-kind) received by not-for-profit organizations, including transparency on how those assets are used and how they are valued. For Casa Pacifica, the ASU will be effective for the year ending June 30, 2022.

(s) SUBSEQUENT EVENTS

Casa Pacifica has evaluated events and transactions occurring subsequent to the statement of financial position date of June 30, 2021, for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through April 6, 2022, the date these financial statements were available to be issued. No such material events or transactions were noted to have occurred.

CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 3 - INVESTMENTS

Investments at June 30, 2021 consist of the following:

Cash Equivalents	\$ 45,557
Mutual Funds and Exchange-Traded Funds	<u>1,315,497</u>
TOTAL INVESTMENTS	<u>\$ 1,361,054</u>

NOTE 4 - FAIR VALUE MEASUREMENTS

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

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

The following table presents information about Casa Pacifica's assets that are measured at fair value on a recurring basis at June 30, 2021, and indicates the fair value hierarchy of the valuation techniques utilized to determine such fair value:

	Year Ended June 30, 2021	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash Equivalents	\$ 45,557	\$ 45,557	\$ -	\$ -
Mutual Funds and Exchange - Traded Funds:	1,315,497	1,315,497	-	-
Beneficial Interest in Assets Held by Others	148,408	-	-	148,408
Beneficial Interest in Perpetual Trust	296,043	-	-	296,043
TOTAL	\$ 1,805,505	\$ 1,361,054	\$ -	\$ 444,451

CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 4 - FAIR VALUE MEASUREMENTS (continued)

The fair values of investments within Level 1 inputs were obtained based on quoted market prices at the closing of the last business day of the fiscal year. The fair value of the beneficial interest in assets held by others and in perpetual trust presented within Level 3 is based on the fair value of the underlying assets held by the third-party trustees.

Changes in Level 3 measurements for the year ended June 30, 2021 are as follows:

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)		
	Beneficial Interest in Assets Held by Others	Beneficial Interest in Perpetual Trust	Total
Beginning Balance	\$ 117,344	\$ 258,657	\$ 376,001
Contributions	-	-	-
Distributions	-	-	-
Change in Value of Beneficial Interest	31,064	37,386	68,450
ENDING BALANCE	\$ 148,408	\$ 296,043	\$ 444,451

NOTE 5 - BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

Casa Pacifica entered into an agreement with Ventura County Community Foundation, whereby Casa Pacifica established a board-designated endowment fund to be held by the Foundation. The funds held can be used for various purposes as determined by the Board and the annual distributions are limited to 5% of the average balance of funds held over the prior twelve quarters calculated on an annual basis.

NOTE 6 - 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, 2021 was \$296,043.

CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 7 - PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2021, consist of the following:

Buildings and Improvements	\$ 23,961,582
Equipment and Furnishings	3,699,373
Leasehold Improvements	200,667
Vehicles	<u>352,563</u>
TOTAL	28,214,185
Less: Accumulated Depreciation	<u>(12,664,142)</u>
PROPERTY AND EQUIPMENT (NET)	<u>\$ 15,550,043</u>

Total depreciation expense for the year ended June 30, 2021, was \$672,254.

NOTE 8 - OTHER ACCRUED LIABILITIES

Other accrued liabilities consisted of the following at June 30, 2021:

DMH Settlement Reserves	\$ 745,784
Deferred Compensation Plan Liability	
[See Note 13(b)]	595,477
Deferred Rent Liability	64,903
Deferred Event Revenue	308,064
Other Accrued Liabilities	<u>173,033</u>
TOTAL ACCRUED LIABILITIES	<u>\$ 1,887,261</u>

NOTE 9 - 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, 2022. 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, 2021. There was no balance outstanding on the line of credit at June 30, 2021. 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, 2021.

CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 10 - NOTE PAYABLE

Casa Pacifica had an unsecured \$750,000 note payable to the Conrad N. Hilton Foundation. The note bore a fixed 2.0% interest rate and was scheduled to mature in November 2021. The note called for monthly interest-only payments with the principal and any remaining interest due in November 2021. On June 23, 2021, Casa Pacifica received notification from the Conrad N. Hilton Foundation that the full amount of the loan had been forgiven. The full amount of forgiveness is reflected in the accompanying statement of activities as note payable forgiveness.

NOTE 11 - PAYCHECK PROTECTION PROGRAM LOAN

In April 2020, Casa Pacifica received a PPP loan in the amount of \$4,029,816. The PPP loan, administered by the Small Business Administration (SBA), bore interest at a fixed rate of 1.0% per annum, had a term of two years, and was unsecured and guaranteed by the SBA. Interest accrued on the loan beginning with the initial disbursement; however, payments of principal and interest were deferred until the amount of forgiveness applied for by the borrower was approved by the SBA.

Casa Pacifica received full forgiveness and was legally released from the loan and accrued interest during the year ended June 30, 2021. At June 30, 2021 there was no outstanding balance on the PPP loan and the entire amount of forgiveness totaling \$4,029,816 is reflected as PPP loan forgiveness in the accompanying statement of activities.

NOTE 12 - EMPLOYEE BENEFIT PLANS

(a) DEFINED CONTRIBUTION PLAN

Casa Pacifica has a defined contribution plan covering all eligible employees who have completed three months of service and are age twenty-one or older. Casa Pacifica makes matching contributions equal to 100% up to 5% of the employee's deferred compensation. Casa Pacifica made contributions to the retirement plan of \$441,199 during the year ended June 30, 2021.

(b) DEFERRED COMPENSATION PLAN

Casa Pacifica's Board of Directors entered into an agreement to sponsor an Internal Revenue Code Section 457(b) deferred compensation plan that covers a select group of management employees. The deferred compensation plan liability included in other accrued liabilities on the statement of financial position totaled \$595,477 at June 30, 2021, with the related assets included in investments.

CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 13 - COMMITMENTS AND CONTINGENCIES

(a) LEGAL PROCEEDINGS

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

(b) CONTRACTS

Casa Pacifica's grants and contracts are subject to inspection and audit by the appropriate governmental funding agencies. The purpose is to determine whether program funds were used in accordance with their respective guidelines and regulations. The potential exists for disallowance of previously funded program costs. The ultimate liability, if any, which may result from these governmental audits cannot be reasonably estimated. However, due to the complexity and timing of the DMH contract settlement process, Casa Pacifica has set aside a reserve of \$745,784 for its DMH contracts [see Note 2(d) and Note 8]. 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.

(c) OBLIGATIONS UNDER OPERATING LEASES

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

Years Ending June 30

2022	\$ 476,170
2023	419,353
2024	440,800
2025	390,986
2026	331,036
Thereafter	<u>132,138</u>
TOTAL	<u>\$ 2,190,483</u>

Rent for facilities, equipment, and vehicles rental expense under operating leases for the year ended June 30, 2021, were \$602,212, \$69,736, and \$251,168, respectively.

CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES

NOTES TO FINANCIAL STATEMENTS June 30, 2021

NOTE 14 - NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions consist of undesignated and Board designated amounts as follows at June 30, 2021:

Undesignated	\$ 17,789,447
Board Designated:	
Reserve Fund	324,347
Endowment Fund	<u>148,408</u>
TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>\$ 18,262,202</u>

The Board designated endowment fund of \$148,408 is held with the Ventura County Community Foundation (refer to Note 2(g) and Note 5). The Board has also established a reserve fund to be used for capital and other projects.

NOTE 15 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at June 30, 2021:

Subject to Expenditure for Specified Purpose and/or Subject to Appropriation or Spending Policy:	
Educational Assistance (including Endowments)	\$ 90,413
Other Programs	<u>116,412</u>
TOTAL SUBJECT TO EXPENDITURE FOR SPECIFIED PURPOSE	206,825
Not Subject to Appropriation or Spending Policy:	
Beneficial Interest in Perpetual Trust	<u>296,043</u>
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	<u>\$ 502,868</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of passage of time or other events specified by the donors as follows for the year ended June 30, 2021:

Satisfaction of Purpose Restrictions:	
Educational Assistance	\$ 9,462
Other Activities	<u>90,974</u>
TOTAL NET ASSETS RELEASED FROM DONOR RESTRICTIONS	<u>\$ 100,436</u>

CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 16 - ENDOWMENTS

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

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

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

At June 30, 2021, Casa Pacifica's endowment net assets composition by type of fund was as follows:

Endowment Net Asset Composition by Type of Fund at June 30, 2021

	Board Designated	With Donor Restrictions	Total
Board Designated	\$ 148,408	\$ -	\$ 148,408
Donor Restricted	-	87,551	87,551

ENDOWMENT NET ASSETS - JUNE 30, 2021

\$ 148,408	\$ 87,551	\$ 235,959
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Changes in endowment net assets were as follows for the year ended June 30, 2021:

	Board Designated	With Donor Restrictions	Total
Endowment Net Assets - Beginning of Year	\$ 117,344	\$ 66,388	\$ 183,732
Investment Return (Net)	31,064	21,163	52,227

ENDOWMENT NET ASSETS - JUNE 30, 2021

\$ 148,408	\$ 87,551	\$ 235,959
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CASA PACIFICA CENTERS FOR CHILDREN AND FAMILIES

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 17 - 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, 2021, were as follows:

Ticket Sales and Sponsorships	\$ 95,140
Contributed Goods and Services	<u>15,316</u>
TOTAL SPECIAL EVENTS REVENUES	110,456
Costs of Direct Donor Benefits	<u>(82,131)</u>
NET SPECIAL EVENTS REVENUES	<u>\$ 28,325</u>

NOTE 18 - LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

The total financial assets held by Casa Pacifica at June 30, 2021 and the amounts of those financial assets that could be made available for general expenditures within one year of the date of the statement of financial position are summarized in the following table:

Financial Assets at June 30, 2021:	
Cash and Cash Equivalents	\$ 3,102,595
Investments	335,678
Contracts Receivable (Net)	2,413,941
Pledges Receivable	<u>25,000</u>
FINANCIAL ASSETS AVAILABLE TO MEET GENERAL EXPENDITURES WITHIN ONE YEAR	<u>\$ 5,877,214</u>

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

Casa Pacifica has various sources of liquidity at its disposal, including cash and cash equivalents and marketable debt and equity securities. Casa Pacifica also has access to a \$2,200,000 line of credit facility with the full amount available for borrowing at June 30, 2021. In addition, at June 30, 2021, Casa Pacifica has a Board designated endowment fund of \$148,408 and a Board designated reserve fund of \$324,347 that could be drawn upon with Board approval.