

CHILD ADVOCATES OF SILICON VALLEY, INC.
AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
WITH SUMMARIZED FINANCIAL INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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JUNE 30, 2015

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INDEPENDENT AUDITORS' REPORT



2479 E. Bayshore Rd., Suite 285
Palo Alto, CA 94303

To the Board of Directors of
Child Advocates of Silicon Valley, Inc.
Milpitas, CA

We have audited the accompanying statement of financial position of Child Advocates of Silicon Valley, Inc. as of June 30, 2015, and the related statements of activities and changes in net assets, functional revenue and expense for the year then ended and cash flows for the years ended June 30, 2015 and 2014, 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. 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 relevance 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 Child Advocates of Silicon Valley, Inc. as of June 30, 2015 and the changes in its net assets, functional revenue and expense for the year then ended and its cash flows for the years ended June 30, 2015 and 2014 in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Child Advocates of Silicon Valley, Inc.'s 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 16, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Morton & Associates Inc.
Certified Public Accountants

September 9, 2015

CHILD ADVOCATES OF SILICON VALLEY, INC.

STATEMENT OF FINANCIAL POSITION

AS OF JUNE 30, 2015

(With Summarized Financial Information for the Year Ended June 30, 2014)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total All Funds June 30</u>	
				<u>2015</u>	<u>2014</u>
ASSETS					
Current Assets					
Cash & Equivalents	\$ 617,085	\$ 11,759	\$	\$ 628,844	\$ 283,780
Grants Receivable	123,796			123,796	77,357
Prepaid Expenses	<u>31,668</u>			<u>31,668</u>	<u>69,901</u>
Total Current Assets	<u>772,549</u>	<u>11,759</u>		<u>784,308</u>	<u>431,038</u>
Fixed Assets					
Net Property & Equipment	<u>52,330</u>			<u>52,330</u>	<u>13,821</u>
Book Value of Fixed Assets	<u>52,330</u>			<u>52,330</u>	<u>13,821</u>
Long Term Assets					
Investments	<u>1,089,291</u>		<u>500,000</u>	<u>1,589,291</u>	<u>1,578,126</u>
Total Long Term Assets	<u>1,089,291</u>		<u>500,000</u>	<u>1,589,291</u>	<u>1,578,126</u>
Total Assets	<u>\$ 1,914,170</u>	<u>\$ 11,759</u>	<u>\$ 500,000</u>	<u>\$ 2,425,929</u>	<u>\$ 2,022,985</u>
LIABILITIES					
Current Liabilities					
Accounts Payable	\$ 4,959	\$	\$	\$ 4,959	\$ 37,683
Accrued Liabilities	1,300			1,300	
Payroll & Related Liabilities	<u>104,302</u>			<u>104,302</u>	<u>86,119</u>
Total Current Liabilities	<u>110,561</u>			<u>110,561</u>	<u>123,802</u>
NET ASSETS					
Operating Fund	661,988			661,988	300,468
Property & Equipment Fund	52,330			52,330	13,821
Restricted Net Assets		11,759		11,759	6,768
Endowment Fund	<u>1,089,291</u>		<u>500,000</u>	<u>1,589,291</u>	<u>1,578,126</u>
Total Net Assets	<u>1,803,609</u>	<u>11,759</u>	<u>500,000</u>	<u>2,315,368</u>	<u>1,899,183</u>
Total Liabilities & Net Assets	<u>\$ 1,914,170</u>	<u>\$ 11,759</u>	<u>\$ 500,000</u>	<u>\$ 2,425,929</u>	<u>\$ 2,022,985</u>

The Accompanying Independent Auditors' Report and the Attached Notes
are an Integral Part of These Financial Statements.

CHILD ADVOCATES OF SILICON VALLEY, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2015

(With Summarized Financial Information for the Year Ended June 30, 2014)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total All Funds June 30</u>	
				<u>2015</u>	<u>2014</u>
SUPPORT					
Contributions	\$ 416,823	\$	\$	\$ 416,823	\$ 240,545
Community Groups	67,231	189,458		256,689	60,053
Corporate Contributions	196,149	104,500		300,649	253,460
Foundation Contributions	63,006	155,000		218,006	260,571
Contributions In-Kind	450,368			450,368	371,954
Government Grants	<u>246,135</u>			<u>246,135</u>	<u>231,190</u>
Total Support	<u>1,439,712</u>	<u>448,958</u>		<u>1,888,670</u>	<u>1,417,773</u>
REVENUE					
Special Events	404,866			404,866	350,783
Interest & Dividends	35,134			35,134	27,548
Other Income	10,004			10,004	11,961
Realized Gain or (Loss)	2,253			2,253	(2,608)
Unrealized Gain or (Loss)	<u>(19,066)</u>			<u>(19,066)</u>	<u>134,961</u>
Total Revenue	<u>433,191</u>			<u>433,191</u>	<u>522,645</u>
Total Increases in Net Assets	<u>\$ 1,872,903</u>	<u>\$ 448,958</u>	<u>\$</u>	<u>\$ 2,321,861</u>	<u>\$ 1,940,418</u>
EXPENSES					
Program Services					
Program	<u>\$ 1,626,342</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,626,342</u>	<u>\$ 1,350,296</u>
Total Program Services	<u>1,626,342</u>			<u>1,626,342</u>	<u>1,350,296</u>
Support Services					
Management & General	133,044			133,044	103,440
Fund Raising	<u>146,290</u>			<u>146,290</u>	<u>179,468</u>
Total Support Services	<u>279,334</u>			<u>279,334</u>	<u>282,908</u>
Total Expenses	<u>1,905,676</u>			<u>1,905,676</u>	<u>1,633,204</u>
Net Increase (Decrease) In Assets	(32,773)	448,958		416,185	307,214
Assets Released From Restriction	443,967	(443,967)			
Net Assets Beginning	<u>1,392,415</u>	<u>6,768</u>	<u>500,000</u>	<u>1,899,183</u>	<u>1,591,969</u>
Net Assets Ending	<u>\$ 1,803,609</u>	<u>\$ 11,759</u>	<u>\$ 500,000</u>	<u>\$ 2,315,368</u>	<u>\$ 1,899,183</u>

The Accompanying Independent Auditors' Report and the Attached Notes
are an Integral Part of These Financial Statements.

CHILD ADVOCATES OF SILICON VALLEY, INC.
STATEMENT OF FUNCTIONAL EXPENSE
FOR THE YEAR ENDED JUNE 30, 2015
(With Summarized Financial Information for the Year Ended June 30, 2014)

Program	Support Services			Total Support Services	Total 2015	Total 2014
	Management & General	Fund Raising				
EXPENSES						
Salaries	\$ 833,879	\$ 66,158	\$ 70,966	\$ 137,124	\$ 971,003	\$ 868,341
Employee Benefits	88,649	7,033	7,544	14,577	103,226	83,845
Payroll Taxes	<u>63,467</u>	<u>5,035</u>	<u>5,401</u>	<u>10,436</u>	<u>73,903</u>	<u>72,907</u>
Total Salaries & Benefits	985,995	78,226	83,911	162,137	1,148,132	1,025,093
Professional Fees	55,701	19,741	23,160	42,901	98,602	60,031
Contributed Services	39,855		2,363	2,363	42,218	79,638
Office	11,066	878	942	1,820	12,886	4,966
Janitorial	6,699	531	570	1,101	7,800	7,800
Contributed Supplies	236,699		17,636	17,636	254,335	138,082
Telephone	6,874	545	585	1,130	8,004	8,430
Utilities	9,775	776	832	1,608	11,383	10,278
Postage & Shipping	3,040	241	259	500	3,540	3,971
Occupancy	20,567	1,632	1,750	3,382	23,949	23,949
Contributed Space	132,093	10,480	11,242	21,722	153,815	154,235
Repairs & Maintenance	8,238	654	701	1,355	9,593	12,487
Printing & Publications	6,540	519	557	1,076	7,616	20,094
Dues & Publications	4,177	331	355	686	4,863	3,052
Marketing	728				728	1,604
Travel & Transportation	5,012				5,012	4,798
Conferences & Meetings	3,491				3,491	1,661
Training	25,372				25,372	16,457
Insurance	7,732	614	658	1,272	9,004	8,178
Investment & Bank Fees		15,810		15,810	15,810	16,397
Children's Services	47,653				47,653	24,834
Board Expenses		<u>1,349</u>		<u>1,349</u>	<u>1,349</u>	
Total Expense before Depreciation	<u>1,617,307</u>	<u>132,327</u>	<u>145,521</u>	<u>277,848</u>	<u>1,895,155</u>	<u>1,626,035</u>
Depreciation	<u>9,035</u>	<u>717</u>	<u>769</u>	<u>1,486</u>	<u>10,521</u>	<u>7,169</u>
Total Expenses	<u>\$ 1,626,342</u>	<u>\$ 133,044</u>	<u>\$ 146,290</u>	<u>\$ 279,334</u>	<u>\$ 1,905,676</u>	<u>\$ 1,633,204</u>
Percentage of Total	<u>85.34</u>	<u>6.98</u>	<u>7.68</u>	<u>14.66</u>	<u>100</u>	

The Accompanying Independent Auditors' Report and the Attached Notes
are an Integral Part of These Financial Statements.

CHILD ADVOCATES OF SILICON VALLEY, INC.

STATEMENTS OF REVENUE AND EXPENSES AND CHANGES IN ENDOWMENT FUNDS

FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014

	JUNE 30, 2015			JUNE 30, 2014		
	BOARD DESIGNATED	PERMANENTLY RESTRICTED	TOTAL	BOARD DESIGNATED	PERMANENTLY RESTRICTED	TOTAL
REVENUE						
Contributions	\$	\$	\$	\$	\$	\$
Interest & Dividends	34,592		34,592	27,255		27,255
Realized Gains/(Losses)	2,253		2,253	(2,608)		(2,608)
Unrealized Gains/(Losses)	(19,066)		(19,066)	134,961		134,961
TOTAL REVENUE	<u>17,779</u>	<u>-</u>	<u>17,779</u>	<u>159,608</u>	<u>-</u>	<u>159,608</u>
EXPENSES						
Maintenance Expenses	6,614		6,614	6,062		6,062
Account Fees			-			-
TOTAL EXPENSES	<u>6,614</u>	<u>-</u>	<u>6,614</u>	<u>6,062</u>	<u>-</u>	<u>6,062</u>
EXCESS (DEFICIT) OF REVENUE OVER EXPENSES	<u>11,165</u>	<u>-</u>	<u>11,165</u>	<u>153,546</u>	<u>-</u>	<u>153,546</u>
OPENING BALANCE	1,078,126	500,000	1,578,126	924,580	500,000	1,424,580
CLOSING BALANCE	<u>\$ 1,089,291</u>	<u>\$ 500,000</u>	<u>\$ 1,589,291</u>	<u>\$ 1,078,126</u>	<u>\$ 500,000</u>	<u>\$ 1,578,126</u>

The Accompanying Independent Auditors' Report and the Attached
Notes are Integral to These Financial Statements.

CHILD ADVOCATES OF SILICON VALLEY, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

	<u>TOTAL CURRENT YEAR</u>	<u>TOTAL PRIOR YEAR</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Increase (Decrease) in Net Assets	\$ 416,185	\$ 307,214
Adjustments to Reconcile Net Increase (Decrease) in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	10,521	7,169
Net Realized/Unrealized Loss on Investments	16,813	(132,353)
Net Investment Earnings	(27,978)	(21,193)
 (Increase) Decrease in Assets:		
Accounts Receivable	(46,439)	(25,984)
Prepaid Expenses	38,233	(41,051)
 Increase (Decrease) in Liabilities:		
Accounts Payable	(32,723)	28,400
Accrued Liabilities	1,300	
Payroll & Related Liabilities	<u>18,183</u>	<u>(5,900)</u>
 NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:	 394,095	 116,302
CASH FLOWS FROM INVESTING ACTIVITIES		
Net Property & Equipment	<u>(49,031)</u>	<u>(9,769)</u>
 NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES:	 (49,031)	 (9,769)
 NET INCREASE IN CASH AND CASH EQUIVALENTS	 <u>345,064</u>	 <u>106,533</u>
 CASH & CASH EQUIVALENTS, BEGINNING	 <u>283,780</u>	 <u>177,247</u>
 CASH & CASH EQUIVALENTS, ENDING	 <u>\$ 628,844</u>	 <u>\$ 283,780</u>
 NON CASH TRANSACTIONS		
Contributed Goods & Services	<u>\$ 447,335</u>	<u>\$ 371,954</u>

The Accompanying Independent Auditors' Report and the Attached Notes
are an Integral Part of These Financial Statements.

CHILD ADVOCATES OF SILICON VALLEY, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1: NATURE OF ACTIVITIES:

Founded in 1986, Child Advocates of Silicon Valley, Inc. (CASV) is a California non-profit corporation that works in partnership with the Santa Clara County Juvenile Dependency Court, a nationally recognized model court. The Court has changed the way the child dependency system has traditionally worked, focusing on healing the family, instead of just taking the child away. Court Appointed Special Advocates, trained by Child Advocates of Silicon Valley, Inc., receive 30+ hours of training to serve the needs of children in the foster care system, providing a powerful, independent voice for the child, giving voice to their issues and making their concerns "real" to the courts. Judge Katherine Lucero, former Supervising Judge of Santa Clara County's Dependency Court says, "Advocate volunteers are invaluable in helping judges make better decisions for abused children..... with an Advocate volunteer on his or her side, an abused child has a better chance of ending up in a safe, permanent, loving home."

Usually the most consistent adult relationship in the lives of these vulnerable children, Court Appointed Special Advocates meet weekly with their assigned child and spend three to four hours per week working on a child's case, becoming a trusted friend, mentor and regular adult presence. Working with foster parents, teachers, social workers, counselors and others to get a complete picture of the child's life and needs, these dedicated community volunteers make regular reports and attend hearings in the Dependency Court to advise the Judge of what is in the child's best interest. They encourage the academic success of foster children by following a child's progress in school, identifying available academic and enrichment resources, and making sure that school records are transferred in entirety when the child changes schools.

During the fiscal year ended June 30, 2015, Child Advocates of Silicon Valley, Inc. supported 575 Advocates in their work with 735 children. The Organization partnered in the development of the Dependency Wellness Court and Non-Minor Dependency (NMD) Court and continued its active participation in Teen Court.

Child Advocates of Silicon Valley, Inc. is a member of the National Court Appointed Special Advocates (CASA) Association. Child Advocates of Silicon Valley is one of the largest of over 951 programs nationwide and receives support from individuals, foundations, corporations, community organization and government agencies.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Organization follows standards of accounting and financial reporting for voluntary health and welfare organizations as prescribed by the American Institute of Certified Public Accountants.

CHILD ADVOCATES OF SILICON VALLEY, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2015

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

In accordance with subtopic 958-205-05-6 of the FASB Accounting Standards Codification, the Organization reports its financial position and operating activities in three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

- Unrestricted Net Assets include those assets over which the Board of Directors has discretionary control in carrying out the operations of the Organization. Under this category, the Agency maintains an Operating and a Property and Equipment Fund. Any net assets designated by the Board for specific purposes, such as the Board Designated Endowment Fund, are also categorized as unrestricted net assets. CASV has elected to report as an increase in unrestricted net assets any restricted revenue received in the current period for which the restriction has been met in the current period.
- Temporarily Restricted Net Assets include those assets which are subject to a donor restriction and for which the applicable restriction was not met as of the end of the current reporting period.
- Permanently Restricted Net Assets include assets which are subject to a non-expiring donor restriction such as donor contributions to an endowment fund.

Revenue Recognition is in accordance with the accrual basis of accounting. Grant revenue and program fees are recognized as revenue in the period in which the service is provided.

Cash and Cash Equivalents include highly liquid investments and those investments with a maturity of three months or less which are maintained in bank accounts or money market funds. The amounts in these accounts may at times exceed the federally insured limit.

Contributions are recorded when cash is received and are considered to be available for unrestricted use unless specifically restricted by the donor.

Grants Receivable are considered to be fully collectible so no allowance for doubtful accounts has been provided.

Furniture and Equipment with a useful life of three or more years and a cost or value in excess of \$500 is recorded at cost or, if contributed, at the estimated fair market value when donated. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from three to twenty years. Depreciation is charged to the activity benefiting from the use of the property or equipment.

CHILD ADVOCATES OF SILICON VALLEY, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2015

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Functional Expenses have been allocated between Program Services and Supporting Services based on an analysis of personnel time and space utilized.

Income Taxes are not provided for in the financial statements since the Corporation is exempt from federal and state income taxes under section 501(c)(3) of the Internal Revenue Code and similar state provisions. The Organization has not been classified as a private foundation.

Investments received through donations are recorded at their fair market value and, in accord with Board policy, are generally sold upon receipt. Long Term Investments in the Board Designated Endowment Fund consist of a managed fund that Sand Hill Global Advisors, LLC manages. The funds are adjusted to market monthly and the unrealized investment gain or loss recorded as unrestricted revenue in the period in which the fluctuations occurred. Distributions may be made as determined by the Board.

Estimates: The preparation of financial statements in accordance with generally accepted accounting principles may require Management to make estimates and assumptions affecting recorded amounts or disclosures which could differ from actual results.

Prior Year Financial Information consists of amounts summarized from the prior audit which are presented in total but not by net asset class. Such information does not include sufficient detail to constitute a full comparative presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2014, from which the summarized information has been derived.

NOTE 3: EMPLOYEE BENEFIT PLAN:

Child Advocates of Silicon Valley, Inc. maintains a defined contribution plan covering employees meeting a minimum service requirement of 750 hours. Annual contributions, graduated up to 5% of compensation, are authorized by the Board and allocated based on compensation. Contributions to the plan are currently suspended.

CHILD ADVOCATES OF SILICON VALLEY, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2015

NOTE 4: PROPERTY AND EQUIPMENT

As of June 30, 2015 the cost of fixed assets and the related accumulated depreciation consisted of the following:

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Furniture & Fixtures	\$ 116,516	\$ 75,716
Machinery & Equipment	19,612	19,613
Computer Equipment	50,404	47,433
Leasehold Improvements	<u>166,502</u>	<u>166,502</u>
Total Fixed Assets	353,034	309,264
Less: Accumulated Depreciation	<u>(300,704)</u>	<u>(295,443)</u>
Net Fixed Assets	<u>\$ 52,330</u>	<u>\$ 13,821</u>

Depreciation expense for the year ended June 30, 2015 was \$10,521 and for the year ended June 30, 2014 was \$7,169.

NOTE 5: IN-KIND CONTRIBUTIONS

Besides the contributed rent described below in Note 7, program contributions in-kind have also been recorded for the estimated fair market value of contributed services and donated equipment as follows:

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Contributed Services	\$ 42,218	\$ 79,638
Contributed Supplies	254,335	138,081
Contributed Office Space	<u>153,815</u>	<u>154,235</u>
Total	<u>\$ 450,368</u>	<u>\$ 371,954</u>

The success of the Child Advocate program crucially depends on the time contributed by its dedicated volunteers. During the fiscal years ended June 30, 2015 and 2014, 575 and 481 unpaid advocates donated an estimated 140 hours each to the 735 and 629 children served. While generally accepted accounting principles preclude recording an amount in the financial statements for volunteer hours, a value can be estimated based on the rate provided by the Independent Sector of \$26.87 for 2015 and of \$26.34 for 2014. For these fiscal years, the respective values of contributed services are \$1,796,414 and 1,377,187 based on the number of active Advocates.

Donations of tickets to sports and entertainment events or venues estimated at \$11,704 for 2015 and \$6,119 for 2014 provided children in the program opportunities for outings not otherwise available to them. No amounts have been recorded in the financial statements for the value of these donated tickets as the Organization would not have purchased the tickets had they not been donated.

CHILD ADVOCATES OF SILICON VALLEY, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2015

NOTE 6: SPECIAL EVENTS

Child Advocates of Silicon Valley, Inc. conducts special events to provide additional revenue for its programs. During the last two fiscal years, the special events were as follows:

June 30, 2015	<u>Income</u>	<u>Expenses</u>	<u>Net Income</u>
Annual Gala	\$ 360,091	\$ 67,179	\$ 292,912
Golf Tournament	144,289	32,035	112,254
Other	<u>8,977</u>	<u>9,277</u>	<u>(300)</u>
Total Special Events	<u>\$ 513,357</u>	<u>\$ 108,491</u>	<u>\$ 404,866</u>

June 30, 2014	<u>Income</u>	<u>Expenses</u>	<u>Net Income</u>
Annual Gala	\$ 303,239	\$ 62,243	\$ 240,996
Golf Tournament	<u>147,145</u>	<u>37,358</u>	<u>109,787</u>
Total Special Events	<u>\$ 450,384</u>	<u>\$ 99,601</u>	<u>\$ 350,783</u>

The above schedule includes in-kind income and expenses of \$50,134 and \$37,977 for the years ended June 30, 2015 and 2014, respectively.

NOTE 7: LEASES

In October 2002, Child Advocates effectively entered into a rent-free lease with the Sobrato Foundation for office space at 509 Valley Way, Milpitas, California. The lease sets the base rent at \$1 per month. Since May 1, 2008, the office space is being rented on a month-to-month basis, although in the event that the premises are sold, the Organization has the option to commence paying a negotiated rent for its space. Since January 1, 2010, the previously contributed common area maintenance costs (CAM) are being partially paid at the monthly rate of \$1,994.76 with the balance of the monthly \$3,176.83 in CAM being contributed. Paid rent for the year ended June 30, 2015 amounted to \$23,949, and to \$23,949 for the year ended June 30, 2014. The difference between the reduced rent paid and the fair market value of the occupied space has been recognized in the financial statements as an in-kind contribution.

During the years ended June 30, 2015 and 2014, the Organization leased two photocopiers on a month-to-month basis.

NOTE 8: CONCENTRATION OF CREDIT RISK:

During the year, the Organization periodically maintains balances in excess of the FDIC/ SIPC coverage limit of \$250,000/ \$500,000. At June 30, 2015, the Organization had no uninsured cash balances.

CHILD ADVOCATES OF SILICON VALLEY, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2015

NOTE 9: ENDOWMENT FUND:

In accord with the California version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), Child Advocates of Silicon Valley, Inc. records as a permanently restricted asset the original value of any contribution restricted by the donor to its endowment fund. The permanently restricted assets have been supplemented by additional assets designated by the Board to provide for the Organization's future financial security. The primary investment objectives of the Endowment Fund are long-term growth of assets while preserving capital.

NOTE 10: DATE OF MANAGERMENTS REVIEW

In preparing the financial statements, the Organization has evaluated subsequent events and transactions for potential recognition or disclosure through September 9, 2015, the date that the financial statements were available to be issued.