

CASA SERENA, INC.  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
JUNE 30, 2015

CASA SERENA, INC.  
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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Casa Serena, Inc.

We have audited the accompanying financial statements of Casa Serena, Inc. (a California nonprofit organization) which comprise the statements of financial position as of June 30, 2015 and 2014, the related statements of activities and of functional expenses for the year ended June 30, 2015, the statements of cash flows for the years ended June 30, 2015 and 2014, and the related notes to the financial statements.

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### ***Management's Responsibility for the Financial Statement***

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 (GAAP); 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.

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### ***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 (GAAS). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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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 Serena, Inc. as of June 30, 2015, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**Report on Summarized Comparative Information**

We have previously audited Casa Serena, Inc.'s June 30, 2014, financial statements, and our report dated January 26, 2015, expressed an unmodified opinion on those audited financial statements. 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.



Santa Barbara, California  
February 29, 2016

CASA SERENA, INC.  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2015 AND 2014

	<u>ASSETS</u>	
	<u>2015</u>	<u>2014</u>
Current Assets		
Cash and cash equivalents	\$ 256,601	\$ 343,422
Receivables:		
Program fees	3,531	10,210
Government contracts and grants	15,357	6,411
Other receivables	50	50
Total Receivables	<u>18,938</u>	<u>16,671</u>
Prepaid expenses	<u>9,097</u>	<u>8,769</u>
Total Current Assets	<u>284,636</u>	<u>368,862</u>
Investments (Note 3)	1,394,300	1,394,673
Property and equipment, net (Note 4)	<u>909,577</u>	<u>860,083</u>
Total Assets	<u>\$ 2,588,513</u>	<u>\$ 2,623,618</u>
 <u>LIABILITIES AND NET ASSETS</u> 		
Current Liabilities		
Accounts payable	\$ 28,272	\$ 10,461
Resident deposits	2,690	2,140
Deferred revenue	9,830	-
Accrued payroll and related expenses:		
Employee retirement payable	750	830
Accrued wages payable	17,487	18,158
Accrued payroll taxes	1,649	1,423
Compensated absences payable	<u>5,816</u>	<u>6,246</u>
Total Current Liabilities	<u>66,494</u>	<u>39,258</u>
Net Assets		
Unrestricted net assets	1,087,510	1,115,024
Unrestricted - board designated (Note 5)	<u>667,082</u>	<u>672,627</u>
Total Unrestricted Net Assets	1,754,592	1,787,651
Temporarily restricted net assets (Note 5)	45,377	74,659
Permanently restricted net assets (Note 5)	<u>722,050</u>	<u>722,050</u>
Total Net Assets	<u>2,522,019</u>	<u>2,584,360</u>
Total Liabilities and Net Assets	<u>\$ 2,588,513</u>	<u>\$ 2,623,618</u>

See accompanying notes

CASA SERENA, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2015 Total</u>	<u>2014 Total</u>
Revenue and Support:					
Contributions and grants	\$ 217,865	\$ 132,842	\$ -	\$ 350,707	\$ 314,879
Program service revenue	316,727	-	-	316,727	343,193
Government contracts and grants	98,633	-	-	98,633	81,985
Investment income	12,499	-	-	12,499	15,791
Realized gain on investments	60,610	-	-	60,610	52,791
Unrealized (loss) gain on investments	(54,685)	-	-	(54,685)	130,240
Other income	7,470	-	-	7,470	5,008
Special Events, net of total related expenses of \$26,233 and \$19,187	55,745	-	-	55,745	110,439
Released from restriction:					
Due to expenditure	<u>162,124</u>	<u>(162,124)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue and Support	<u>876,988</u>	<u>(29,282)</u>	<u>-</u>	<u>847,706</u>	<u>1,054,326</u>
Expenses					
Program services	722,748	-	-	722,748	758,038
Management and general	141,103	-	-	141,103	102,891
Fundraising	46,196	-	-	46,196	75,273
Total Expenses	<u>910,047</u>	<u>-</u>	<u>-</u>	<u>910,047</u>	<u>936,202</u>
Change in Net Assets	(33,059)	(29,282)	-	(62,341)	118,124
Net Assets at Beginning of Year	<u>1,787,651</u>	<u>74,659</u>	<u>722,050</u>	<u>2,584,360</u>	<u>2,466,236</u>
Net Assets at End of Year	<u>\$ 1,754,592</u>	<u>\$ 45,377</u>	<u>\$ 722,050</u>	<u>\$ 2,522,019</u>	<u>\$ 2,584,360</u>

See accompanying notes

CASA SERENA, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2015  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2014

	Program Services	Management and General	Fundraising	2015 Total	2014 Total
Salaries and wages	\$ 322,691	\$ 88,833	\$ 17,459	\$ 428,983	\$ 429,510
Payroll taxes	30,123	8,293	1,630	40,046	42,114
Employee benefits	56,335	15,508	3,048	74,891	79,984
Total Personnel Expenses	409,149	112,634	22,137	543,920	551,608
Automobile expense	1,665	-	-	1,665	4,231
Depreciation and amortization	42,808	14,269	-	57,077	50,524
Development	-	-	16,766	16,766	10,133
Dues and subscriptions	2,649	-	-	2,649	2,392
Education and meetings	2,822	-	-	2,822	718
Food	46,084	-	-	46,084	67,823
Insurance	26,489	235	-	26,724	25,242
Licenses & permits	14,186	-	-	14,186	4,564
Miscellaneous	1,746	-	-	1,746	3,390
Office expense	10,145	3,382	-	13,527	9,951
Program expense	37,210	-	-	37,210	27,009
Professional services	38,620	5,567	7,293	51,480	61,129
Repairs and maintenance	56,392	-	-	56,392	75,709
Small equipment	173	-	-	173	2,038
Taxes and licenses	86	-	-	86	85
Telephone	6,310	2,103	-	8,413	6,390
Utilities	26,214	2,913	-	29,127	33,266
Total Year Ended June 30, 2015	<u>\$ 722,748</u>	<u>\$ 141,103</u>	<u>\$ 46,196</u>	<u>\$ 910,047</u>	
Total Year Ended June 30, 2014	<u>\$ 758,038</u>	<u>\$ 102,891</u>	<u>\$ 75,273</u>		<u>\$ 936,202</u>

See accompanying notes

CASA SERENA, INC.  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

	2015	2014
Cash Flows from Operating Activities:		
Change in net assets	\$ (62,341)	\$ 118,124
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	57,077	50,524
Realized gain on sale of securities	(60,610)	(52,791)
Unrealized gain on investments	54,685	(130,240)
Changes in:		
Program fees receivable	6,679	(624)
Government contracts and grants receivable	(8,946)	4,505
Pledge receivable	-	50,000
Prepaid expenses	(328)	1,299
Accounts payable	17,811	(7,370)
Resident deposits	550	540
Deferred revenue	9,830	(5,865)
Employee retirement payable	(80)	(55)
Accrued wages payable	(671)	3,397
Payroll taxes and related expenses	226	214
Compensated absences payable	(430)	(21,468)
Net Cash Provided/(Used) by Operating Activities	13,452	10,190
Cash Flows from Investing Activities:		
Purchase of property and equipment	(106,571)	(50,205)
Proceeds from sale of securities	83,687	247,489
Purchase of securities	(77,389)	(263,277)
Net Cash Used by Investing Activities	(100,273)	(65,993)
Net Decrease in Cash and Cash Equivalents	(86,821)	(55,803)
Beginning Cash and Cash Equivalents	343,422	399,225
Ending Cash and Cash Equivalents	\$ 256,601	\$ 343,422

See accompanying notes



CASA SERENA, INC.  
NOTES TO FINANCIAL STATEMENTS

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NOTE 1: ORGANIZATION

Casa Serena, Inc. (Casa Serena) is a non-profit agency, established in 1959 and incorporated in 1973, to provide effective treatment services and a safe, sober living environment to women suffering from the disease of alcoholism or who are addicted to alcohol or drugs. Casa Serena achieves its mission by introducing such women to the recovery philosophy of Alcoholics Anonymous (and the 12 Step Process) and by promoting community awareness of Casa Serena. The main residential facilities that Casa Serena operates include an initial Recovery program, a secondary Grad House program for women, and a secondary Recovery program for women and children.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of Casa Serena have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Cash and Cash Equivalents

For purposes of the statements of financial position and cash flows, cash and cash equivalents include cash on hand and amounts on deposit at financial institutions.

Investments and Investment Income

Investments are carried at their fair market value. Investment income and gains and losses on investments are classified as unrestricted unless a donor or law temporarily or permanently restricts their use. Unrealized gains and losses are included in the change in net assets.

Property and Equipment

Property and equipment are recorded at cost or, if donated, at fair market value at the time of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose.

Management's policy is to capitalize certain purchases and donations with a useful life greater than one year and a value greater than \$1,000. Depreciation is computed using the straight-line method over estimated useful lives as follows:

Buildings	30 years
Building improvements	10 years
Furniture and fixtures	7 years
Machinery and equipment	5-7 years
Vehicles	5 years

CASA SERENA, INC.  
NOTES TO FINANCIAL STATEMENTS

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NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables

Receivables are comprised of program fees receivable and amounts due from granting organizations. Program fees are set by the Board of Directors and adjusted based on staff recommendation. Management expects full collection within one year and no material write-offs as of June 30, 2015; therefore, there is no current provision for doubtful accounts for accounts or grants receivables.

Contributions and Grants

All contributions and grants are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain amounts and disclosures. Accordingly, actual results could differ from those estimates.

Significant estimates used in preparing these financial statements include:

- Depreciable lives
- Allocation of certain expenses by function

It is at least reasonably possible that the significant estimates used will change within the next year.

Income Taxes

Casa Serena is exempt from taxes on income under Internal Revenue Code section 501(c)(3) and California Revenue and Taxation Code 23701(d); therefore no amounts for income taxes are reflected in the accompanying financial statements. Casa Serena is not considered a private foundation. At June 30, 2015, nor for any year for which the statute is open, Casa Serena is not aware of any uncertain tax positions.

CASA SERENA, INC.  
NOTES TO FINANCIAL STATEMENTS

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NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation

Casa Serena reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted Net Assets

Unrestricted net assets consist of funds free of any donor-imposed restrictions and which the governing board has discretionary control for use in carrying on the general operations of Casa Serena.

Temporarily Restricted Net Assets

Temporarily restricted net assets consist of contributions and other increases of funds temporarily subject to donor-imposed restrictions. The restrictions are temporary in that they are expected to expire with the passage of time or be satisfied and removed by actions of Casa Serena that fulfill donor stipulations.

Permanently Restricted Net Assets

Permanently restricted net assets consist of contributions and other inflows of funds subject to donor imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed by the actions of Casa Serena.

Functional Expenses

Casa Serena allocates its expenses on a functional basis among its various program and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their expenditure classification. Other expenses that are common to several functions are allocated by various statistical bases.

In-kind Contributions

Some individuals and organizations have donated time to Casa Serena to further its programs and objectives. No amounts have been recognized in the accompanying financial statements as these services do not meet the generally accepted accounting principles reporting requirements. Donated material and equipment are reflected as contributions in the accompanying statements at their estimated fair market values at the date of receipt.

CASA SERENA, INC.  
NOTES TO FINANCIAL STATEMENTS

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NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements

The carrying value of current assets and current liabilities approximate fair value due to the short maturity of these instruments.

Reclassifications

Certain reclassifications have been made to the June 30, 2014 balances, as reported in the prior year financial statements, to make them comparable to the balances reported for the year ended June 30, 2015.

NOTE 3: INVESTMENTS

The costs and market values of investments at June 30, 2015, are as follows:

	<u>Cost</u>	<u>Market</u>	<u>Unrealized Gains</u>
<b>Unrestricted</b>			
Money Market	\$ 520	\$ 520	\$ -
Mutual Funds – Equity	324,620	485,750	161,130
Mutual Funds – Fixed Income	<u>223,333</u>	<u>220,160</u>	<u>(3,173)</u>
Total Unrestricted	<u>548,473</u>	<u>706,430</u>	<u>157,957</u>
<b>Endowment</b>			
Money Market	2,387	2,387	-
Mutual Funds – Equity	380,189	471,385	91,196
Mutual Funds – Fixed Income	<u>217,221</u>	<u>214,098</u>	<u>(3,123)</u>
Total Endowment	<u>599,797</u>	<u>687,870</u>	<u>88,073</u>
Total Investments	<u>\$ 1,148,270</u>	<u>\$ 1,394,300</u>	<u>\$ 246,030</u>
Change in unrealized gain			<u>\$ (54,685)</u>

CASA SERENA, INC.  
NOTES TO FINANCIAL STATEMENTS

NOTE 3: INVESTMENTS (Continued)

The costs and market values of investments at June 30, 2014, are as follows:

	<u>Cost</u>	<u>Market</u>	<u>Unrealized Gains</u>
Unrestricted			
Money Market	\$ 1,694	\$ 1,694	\$ -
Mutual Funds – Equity	293,084	461,451	168,367
Mutual Funds – Fixed Income	<u>211,290</u>	<u>218,760</u>	<u>7,470</u>
Total Unrestricted	<u>506,068</u>	<u>681,905</u>	<u>175,837</u>
Endowment			
Money Market	1,363	1,363	-
Mutual Funds – Equity	383,084	481,330	98,246
Mutual Funds – Fixed Income	<u>203,443</u>	<u>230,075</u>	<u>26,632</u>
Total Endowment	<u>587,890</u>	<u>712,768</u>	<u>124,878</u>
Total Investments	<u>\$ 1,093,958</u>	<u>\$ 1,394,673</u>	<u>\$ 300,715</u>
Change in unrealized gain			<u>\$ 130,240</u>

None of these financial instruments are held for trading purposes. These amounts are not necessarily indicative of the amounts Casa Serena could realize in a current market exchange. The market values are from quoted prices as of June 30, 2015 and 2014. Management has determined that, with this method of valuation, the investments are all categorized as Level 1.

NOTE 4: PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30:

	<u>2015</u>	<u>2014</u>
Land	\$ 292,597	\$ 292,597
Building and improvements	1,601,070	1,531,563
Machinery and equipment	71,574	90,311
Furniture and fixtures	67,107	66,696
Vehicles	24,642	24,642
Website	7,811	-
Construction in Process	<u>25,265</u>	<u>-</u>
	2,090,066	2,005,809
Less: accumulated depreciation	<u>(1,180,489)</u>	<u>(1,145,726)</u>
Net Property and Equipment	<u>\$ 909,577</u>	<u>\$ 860,083</u>

Depreciation and amortization expense for the years ended June 30, 2015 and 2014, was \$57,077 and \$50,524, respectively.

CASA SERENA, INC.  
NOTES TO FINANCIAL STATEMENTS

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NOTE 5: RESTRICTED NET ASSETS

Board Designated Unrestricted Endowment Net Assets

Included in total unrestricted net assets on the Statement of Financial Position are net assets designated by the Board of Directors for the longevity of Casa Serena. These net assets are unavailable for operations without specific board approval. As of June 30, 2015 and 2014, the Board of Directors has designated \$667,082 and \$672,627, respectively.

Temporarily Restricted Net Assets

Temporarily restricted net assets at June 30, 2015, consist of \$45,377 restricted by donors for specific purposes.

Temporarily restricted net assets at June 30, 2014, consist of \$74,659 restricted by donors for specific purposes.

Permanently Restricted Net Assets

Permanently restricted net assets of \$722,050 at June 30, 2015 and 2014, consist of funds generated by a capital campaign in 2000 for the establishment of its Oliver House program. An objective of that campaign was to set aside \$500,000 of the donated funds for a permanent endowment, to provide stability and to ensure the longevity of the Oliver House program. Though donors did not directly restrict their donations for the endowment, Casa Serena has classified the endowment as permanently restricted by virtue of its promise to the donors of the establishment of the endowment fund. A portion of the earnings of the endowment fund are allocated for ongoing, current operating expenses for the Oliver House program.

NOTE 6: RETIREMENT PLAN

Casa Serena has a 401(k) retirement plan, which is maintained by an outside broker. Employees may contribute a percentage of their salaries to the plan up the maximum allowable under the Internal Revenue Code. Casa Serena matches up to 3% of participating employee's contributions. At June 30, 2015 and 2014, Casa Serena contributed \$3,751 and \$8,696, respectively, to the plan.

CASA SERENA, INC.  
NOTES TO FINANCIAL STATEMENTS

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NOTE 7: CONCENTRATION OF RISK

Casa Serena occasionally does have more than \$250,000 on deposit with financial institutions. The Federal Deposit Insurance Corporation (FDIC) only insures the first \$250,000 of funds on deposit with any one bank. At June 30, 2015, Casa Serena did not have any uninsured funds.

Casa Serena has certain investments and cash and cash equivalents held at a broker-dealer which is subject to the Securities Investor Protection Corporation (SIPC). Under SIPC, cash is insured up to \$250,000 per broker-dealer; the remaining cash equivalents and investments up to \$500,000, as per the terms SIPC.

NOTE 8: DONOR AND BOARD DESIGNATED ENDOWMENTS

Casa Serena's endowment consists of both board-designated and donor-restricted funds. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments (if any), are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of Casa Serena has interpreted the 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 endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, Casa Serena classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment 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 the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by Casa Serena in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, Casa Serena considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of Casa Serena, and (7) Casa Serena's investment policies.

CASA SERENA, INC.  
NOTES TO FINANCIAL STATEMENTS

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NOTE 8: DONOR AND BOARD DESIGNATED ENDOWMENTS (Continued)

*Investment Return Objectives, Risk Parameters and Strategies*

Casa Serena has adopted investment and spending policies for the endowment assets and these policies have been approved by the Board of Directors. The objective of the investment policy is to provide adequate returns to meet the spending needs of Casa Serena while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return which exceeds the annual distribution with acceptable levels of risk. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities.

*Spending Policy*

Casa Serena has established a spending policy that includes the annual distributions, as well as the cost of managing the funds. Casa Serena has a policy of appropriating for distribution each year no more than 4% of its endowment fund's principal based on the value of the endowments at the end of the previous calendar year. Prior to taking the distribution, management will determine if the funds are needed. In establishing this policy, Casa Serena considered the funding needs of their organization as well as the goal of protecting the purchasing power of endowment assets over the long-term. Exceptions to this policy are reviewed on a case-by-case basis.

Casa Serena expects the current spending policy to allow its endowment funds to grow at a rate that is at least at the rate of inflation. This is consistent with Casa Serena's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through new gifts and investment return.

Changes in board designated unrestricted and permanently restricted endowments (collectively 'endowments') for the year ended June 30, 2015, is as follows:

	<u>Designated Unrestricted</u>	<u>Permanently Restricted</u>	<u>Endowment Net Assets</u>
Balance at June 30, 2014	\$ 672,627	\$ 722,050	\$ 1,394,677
Contributions	29,372	-	29,372
Investment income	12,499	-	12,499
Realized and unrealized gains, net	5,925	-	5,925
Amounts appropriated for expenditure	<u>(53,341)</u>	<u>-</u>	<u>(53,341)</u>
Balance at June 30, 2015	<u>\$ 667,082</u>	<u>\$ 722,050</u>	<u>\$ 1,389,132</u>



CASA SERENA, INC.  
NOTES TO FINANCIAL STATEMENTS

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NOTE 8: DONOR AND BOARD DESIGNATED ENDOWMENTS (Continued)

Changes in endowments for the year ended June 30, 2014, is as follows:

	<u>Board Designated Unrestricted</u>	<u>Permanently Restricted</u>	<u>Total Endowment Net Assets</u>
Balance at June 30, 2013	\$ 473,805	\$ 722,050	\$ 1,195,855
Contributions	-	-	-
Investment income	15,791	-	15,791
Realized and unrealized gains	183,031	-	183,031
Amounts appropriated for expenditure	<u>-</u>	<u>-</u>	<u>-</u>
Balance at June 30, 2014	<u>\$ 672,627</u>	<u>\$ 722,050</u>	<u>\$ 1,394,677</u>

NOTE 9: SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 29, 2016, which is the date the financial statements were available to be issued pending final approval by the Board of Directors. Management has determined no subsequent events requiring disclosure have occurred.