

CHILD ADVOCATES OF SILICON VALLEY, INC.
AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
WITH SUMMARIZED FINANCIAL INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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INDEPENDENT AUDITORS' REPORT



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. (a non-profit organization) as of June 30, 2010, 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, 2010 and 2009. These financial statements are the responsibility of the Organization's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2010 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, 2010 and 2009 in conformity with accounting principles generally accepted in the United States of America.

The financial statements of Child Advocates of Silicon Valley, Inc. for fiscal year ended June 30, 2009 were audited by other auditors who expressed an unqualified opinion on those financial statements. Certain summarized information for the year ended June 30, 2009 is included from those statements in total but not by net asset class or functional classification. Such information is presented for comparative purposes only and does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the financial statements presented by fund for the year ended June 30, 2009, from which the summarized financial information was derived and on which the prior auditor expressed an unqualified opinion dated October 20, 2009.

Morton & Associates, Inc.
Morton & Associates Inc.
Certified Public Accountants

November 16, 2010

CHILD ADVOCATES OF SILICON VALLEY, INC.

STATEMENT OF FINANCIAL POSITION

AS OF JUNE 30, 2010

(With Summarized Financial Information for the Year Ended June 30, 2009)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total All Funds June 30	
				2010	2009
ASSETS					
Current Assets					
Cash & Equivalents	\$ 262,084	\$ 27,391	\$	\$ 289,475	\$ 455,410
Grants Receivable	59,783			59,783	45,774
Prepaid Expenses	11,334			11,334	16,589
Total Current Assets	<u>333,201</u>	<u>27,391</u>		<u>360,592</u>	<u>517,773</u>
Fixed Assets					
Net Property & Equipment	<u>23,422</u>			<u>23,422</u>	<u>41,950</u>
Book Value of Fixed Assets	<u>23,422</u>			<u>23,422</u>	<u>41,950</u>
Long Term Assets					
Investments Held for Endowment Purposes	<u>639,970</u>		<u>500,000</u>	<u>1,139,970</u>	<u>1,017,496</u>
Total Long Term Assets	<u>639,970</u>		<u>500,000</u>	<u>1,139,970</u>	<u>1,017,496</u>
Total Assets	<u>\$ 996,593</u>	<u>\$ 27,391</u>	<u>\$ 500,000</u>	<u>\$ 1,523,984</u>	<u>\$ 1,577,219</u>
LIABILITIES					
Current Liabilities					
Accounts Payable	\$ 9,054	\$	\$	\$ 9,054	\$ 8,594
Payroll & Related Liabilities	<u>57,331</u>			<u>57,331</u>	<u>48,466</u>
Total Current Liabilities	<u>66,385</u>			<u>66,385</u>	<u>57,060</u>
NET ASSETS					
Operating Fund	266,816			266,816	444,197
Property & Equipment Fund	23,422			23,422	41,950
Restricted Net Assets		27,391		27,391	16,516
Endowment Fund	<u>639,970</u>		<u>500,000</u>	<u>1,139,970</u>	<u>1,017,496</u>
Total Net Assets	<u>930,208</u>	<u>27,391</u>	<u>500,000</u>	<u>1,457,599</u>	<u>1,520,159</u>
Total Liabilities & Net Assets	<u>\$ 996,593</u>	<u>\$ 27,391</u>	<u>\$ 500,000</u>	<u>\$ 1,523,984</u>	<u>\$ 1,577,219</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, 2010

(With Summarized Financial Information for the Year Ended June 30, 2009)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total All Funds June 30</u>	
				<u>2010</u>	<u>2009</u>
SUPPORT					
Contributions	\$ 236,140	\$	\$	\$ 236,140	\$ 224,798
Community Groups	24,665			24,665	52,434
Corporate Contributions	70,915	95,580		166,495	151,325
Foundation Contributions	72,750	52,500		125,250	140,200
Contributions In-Kind	215,003			215,003	233,497
Government Grants		<u>213,800</u>		<u>213,800</u>	<u>234,767</u>
Total Support	<u>619,473</u>	<u>361,880</u>		<u>981,353</u>	<u>1,037,021</u>
REVENUE					
Special Events	206,098			206,098	263,748
Interest & Dividends	29,779			29,779	40,540
Other Income	5,458			5,458	4,577
Workshop Revenue	10,618			10,618	8,014
Realized Gain or (Loss)	12,080			12,080	(156,522)
Unrealized Gain or (Loss)	<u>90,890</u>			<u>90,890</u>	<u>(113,285)</u>
Total Revenue	<u>354,923</u>			<u>354,923</u>	<u>47,072</u>
Total Increases in Net Assets	<u>\$ 974,396</u>	<u>\$ 361,880</u>	<u>\$</u>	<u>\$ 1,336,276</u>	<u>\$ 1,084,093</u>
EXPENSES					
Program Services					
Program	<u>\$ 1,144,932</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,144,932</u>	<u>\$ 1,207,931</u>
Total Program Services	<u>1,144,932</u>			<u>1,144,932</u>	<u>1,207,931</u>
Support Services					
Management & General	62,099			62,099	208,224
Fund Raising	<u>191,805</u>			<u>191,805</u>	<u>198,169</u>
Total Support Services	<u>253,904</u>			<u>253,904</u>	<u>406,393</u>
Total Expenses	<u>1,398,836</u>			<u>1,398,836</u>	<u>1,614,324</u>
Net Increase (Decrease) in Assets	(424,440)	361,880		(62,560)	(530,231)
Assets Released From Restriction	351,005	(351,005)			
Net Assets Beginning	<u>1,003,643</u>	<u>16,516</u>	<u>500,000</u>	<u>1,520,159</u>	<u>2,050,390</u>
Net Assets Ending	<u>\$ 930,208</u>	<u>\$ 27,391</u>	<u>\$ 500,000</u>	<u>\$ 1,457,599</u>	<u>\$ 1,520,159</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, 2010

(With Summarized Financial Information for the Year Ended June 30, 2009

	Program	Management & General	Fund Raising	Total Support Services	Total 2010	Total 2009
EXPENSES						
Salaries	\$ 693,722	\$ 15,787	\$ 105,982	\$ 121,769	\$ 815,491	\$ 1,000,537
Employee Benefits	52,747	133	3,287	3,420	56,167	91,944
Payroll Taxes	62,104	872	10,006	10,878	72,982	87,828
Total Salaries & Benefits	808,573	16,792	119,275	136,067	944,640	1,180,309
Professional Fees	38,150	15,230	40,057	55,287	93,437	57,504
Contributed Services	8,104	190	1,240	1,430	9,534	49,297
Office	3,901	289	626	915	4,816	8,066
Janitorial	6,383	473	1,024	1,497	7,880	7,800
Contributed Supplies	21,024	131	849	980	22,004	23,201
Telephone	6,765	774	1,027	1,801	8,566	13,076
Utilities	7,745	574	1,243	1,817	9,562	11,144
Postage & Shipping	1,398	290	6,255	6,545	7,943	8,525
Occupancy	11,023	479	479	958	11,981	12
Contributed Space	168,786	7,339	7,339	14,678	183,464	141,850
Repairs & Maintenance	4,769	353	765	1,118	5,887	4,418
Printing & Publications	639		3,383	3,383	4,022	2,966
Dues & Publications	1,073	192	1,993	2,185	3,258	3,145
Marketing	6,382				6,382	6,298
Travel & Transportation	4,191	325	64	389	4,580	5,997
Conferences & Meetings	3,152	1,028	150	1,178	4,330	4,434
Training	19,940				19,940	26,623
Insurance	2,950	218	473	691	3,641	4,073
Other Expense			2,354	2,354	2,354	1,189
Investment & Bank Fees		14,475		14,475	14,475	16,139
Children's Grants	4,489				4,489	13,650
Board Expenses		1,835		1,835	1,835	1,964
Staff Training	488		800	800	1,288	1,555
Bad Debts						700
Total Expense before Depreciation	1,129,925	60,987	189,396	250,383	1,380,308	1,593,935
Depreciation	15,007	1,112	2,409	3,521	18,528	20,389
Total Expenses	\$ 1,144,932	\$ 62,099	\$ 191,805	\$ 253,904	\$ 1,398,836	\$ 1,614,324
Percentage of Total	81.86	4.43	13.71	18.14	100.00	

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, 2010 AND 2009

	JUNE 30, 2010		JUNE 30, 2009	
	BOARD DESIGNATED	PERMANENTLY RESTRICTED	BOARD DESIGNATED	PERMANENTLY RESTRICTED
REVENUE				
Contributions	\$ 28,558	\$ 0	\$ 40,540	\$ 40,540
Interest & Dividends	12,080	28,558	(156,522)	(156,522)
Realized Gains/(Losses)	90,890	12,080	(62,410)	(62,410)
Unrealized Gains/(Losses)	131,528	90,890	(178,392)	(178,392)
TOTAL REVENUE		131,528		
EXPENSES				
Maintenance Expenses	1,854	1,854	2,697	2,697
Account Fees	7,200	7,200	6,706	6,706
TOTAL EXPENSES	9,054	9,054	9,403	9,403
EXCESS (DEFICIT) OF REVENUE OVER EXPENSES	122,474	122,474	(187,795)	(187,795)
OPENING BALANCE	517,496	500,000	705,291	500,000
CLOSING BALANCE	\$ 639,970	\$ 1,139,970	\$ 517,496	\$ 1,017,496

The Accompanying Compilation 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, 2010 AND 2009

	TOTAL CURRENT YEAR	TOTAL PRIOR YEAR
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Increase (Decrease) in Net Assets	\$ (62,560)	\$ (530,231)
Adjustments to Reconcile Net Increase (Decrease) in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	18,528	20,389
Net Realized/Unrealized Loss on Investments	(102,970)	269,807
Contributed Equipment		(19,149)
Net Investment Earnings	(19,504)	(23,880)
 (Increase) Decrease in Assets:		
Accounts Receivable	(14,009)	40,695
Prepaid Expenses	5,255	(8,931)
 Increase (Decrease) in Liabilities:		
Accounts Payable	460	(3,385)
Payroll & Related Liabilities	8,865	(14,136)
 NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:	(165,935)	(268,821)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net Property & Equipment		(2,998)
 NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES:		(2,998)
 NET INCREASE IN CASH AND CASH EQUIVALENTS	(165,935)	(271,819)
 CASH & CASH EQUIVALENTS, BEGINNING	455,410	727,229
 CASH & CASH EQUIVALENTS, ENDING	\$ 289,475	\$ 455,410
NON CASH TRANSACTIONS		
Contributed Goods & Services	\$ 215,002	\$ 233,497

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, 2010

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, 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 year ended June 30, 2010, Child Advocates of Silicon Valley, Inc. supported 462 Advocates in their work with 573 children. The Organization partnered in the development of the Middle School Education Court – the first in the country and continued its active participation in the Dependency Drug Treatment Court, Teen Court and Family Wellness Court.

Child Advocates of Silicon Valley, Inc. is a member of the National Court Appointed Special Advocates (CASA) Association. The Advocacy program of Child Advocates of Silicon Valley is one of the largest of over 1,000 programs nationwide and receives support from individuals, foundations, corporations 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. In accordance with

CHILD ADVOCATES OF SILICON VALLEY, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2010

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Statement of Financial Accounting Standards (SFAS) No. 117, CASV 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 Fixed Asset Fund. Any net assets designated by the Board for specific purposes, such as the Board Designated Endowment Fund, which 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 includes assets which are subject to a non-expiring donor restriction such as donor contributions to an endowment fund.

Revenue Recognition is in accord 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. No losses have occurred and Management believes that in exceeding the FDIC limit is not exposed to any significant risk.

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, 2010

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 pooled investment fund held by the Silicon Valley Community Foundation and a managed fund at Sanford C. Bernstein & Co. The funds are adjusted to market at the Organization's fiscal year end and the unrealized investment gain or loss recorded as unrestricted revenue in the period in which the fluctuations occurred. Annual distributions for operations may be authorized by the Board up to either the lesser of 5% of the value of the Designated Endowment Fund as of the previous fiscal year end or to the Fund's average return over the prior three years, net of inflation (CPI) and management fees.

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, 2009, from which the summarized information has been derived.

Reclassifications of certain prior year amounts have been made in order to be consistent with the current year's presentation.

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% after three years of service, 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, 2010

NOTE 4: PROPERTY AND EQUIPMENT

As of June 30, 2010 the cost of fixed assets and the related accumulated depreciation consisted of the following:

	<u>June 30, 2010</u>	<u>June 30, 2009</u>
Furniture & Fixtures	\$ 75,716	\$ 75,716
Machinery & Equipment	29,058	35,643
Computer Equipment	63,513	63,513
Leasehold Improvements	<u>166,502</u>	<u>194,332</u>
Total Fixed Assets	334,789	369,204
Less: Accumulated Depreciation	<u>(311,367)</u>	<u>(327,254)</u>
Net Fixed Assets	<u>\$ 23,422</u>	<u>\$ 41,950</u>

Depreciation expense for the year ended June 30, 2010 was \$18,528 and for the year ended June 30, 2009 was \$20,389.

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, 2010</u>	<u>June 30, 2009</u>
Contributed Services	\$ 9,534	\$ 49,297
Contributed Supplies	22,004	23,201
Contributed Office Space	183,464	141,850
Contributed Equipment	<u>19,149</u>	<u>19,149</u>
Total	<u>\$ 215,002</u>	<u>\$ 233,497</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, 2010 and 2009, 462 and 474 unpaid advocates donated an estimated 120 hours each to the 573 and 601 children served. While generally accepted accounting principles preclude recording an amount in the financial statements for these invaluable volunteer hours, based on the rate provided by the Independent Sector of \$22.79 for 2010 and of \$22.79 for 2009, Child Advocate volunteers contributed serves to the Organization in the respective fiscal years had a value of \$1,263,000 and \$1,296,000.

Donations of tickets to sport and entertainment events or venues estimated at \$ 15,267 and \$19,505 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, 2010

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, 2010	Income	Expenses	Net Income
Annual Gala	\$ 221,620	\$ 61,035	\$ 160,585
Golf Tournament	82,469	36,926	45,543
Other	170	200	(30)
Total Special Events	<u>\$ 304,259</u>	<u>\$ 98,161</u>	<u>\$ 206,098</u>

June 30, 2009	Income	Expenses	Net Income
Annual Gala	\$ 230,870	\$ 72,845	\$ 158,025
Birdhouse Bash	48,890	8,247	40,643
Golf Tournament	113,443	48,378	65,065
Other	4,292	4,277	15
Total Special Events	<u>\$ 397,495</u>	<u>\$ 133,747</u>	<u>\$ 263,748</u>

The preceding schedules include in-kind income and expenses of \$46,026 and \$35,835 for the years ended June 30, 2010 and 2009, 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 \$3,176.84 in CAM being contributed. Paid rent for the year ended June 30, 2010 amounted to \$11,981, and to \$12 for the year ended June 30, 2009. 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, 2010 and 2009, the Organization leased two photocopiers on a month-to-month basis.

NOTE 8: CONCENTRATION OF CREDIT RISK:

The Organization maintains balances in excess of the FDIC coverage limit of \$250,000. At June 30, 2010, the Organization had uninsured cash balances of \$27,963.

CHILD ADVOCATES OF SILICON VALLEY, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2010

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 investment objective is to preserve capital and maintain purchasing power with a five year goal of achieving an annual return of at least 3% in excess of the inflation rate and net of investment management fees. CASV maintains the original value of the permanently restricted donations with the gains or losses being absorbed by the designated portion of the fund.