

**VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011**

**VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION**

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CONSIDINE CONSIDINE
CERTIFIED PUBLIC ACCOUNTANTS

To The Board of Directors
Voices For Children
A Nonprofit Organization

Independent Auditor's Report

We have audited the accompanying statements of financial position of Voices For Children, A Nonprofit Organization, as of June 30, 2012 and 2011, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended. 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 audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatements. 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 audits provide 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 Voices For Children as of June 30, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Considine & Considine

CONSIDINE & CONSIDINE
An Accountancy Corporation

November 1, 2012

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**VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2012 AND 2011**

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	2012	2011
ASSETS		
CURRENT ASSETS		
Cash (Notes 3 and 5)	\$ 454,819	\$ 687,065
Marketable Securities (Notes 4 and 5)	935,560	941,039
Unconditional Promises to Give (Note 6)	126,325	110,000
Accounts Receivable (Note 7)	141,430	29,543
Prepaid Expenses	52,489	28,466
	1,710,623	1,796,113
PROPERTY AND EQUIPMENT (Note 9)	141,860	175,619
OTHER ASSETS		
Rent Deposit	29,025	29,025
TOTAL ASSETS	1,881,508	2,000,757
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accrued Expenses (Note 10)	255,541	213,787
Deferred Rent	114,886	104,475
Deferred Revenue	128,545	270,271
TOTAL LIABILITIES	498,972	588,533
NET ASSETS		
Unrestricted	1,266,317	1,256,968
Temporarily Restricted (Note 14)	116,219	155,256
	1,382,536	1,412,224
TOTAL LIABILITIES AND NET ASSETS	\$ 1,881,508	\$ 2,000,757

See Accompanying Notes

VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2012

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	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
REVENUES			
Gifts and Contributions	\$ 1,464,829	\$ 77,048	\$ 1,541,877
Special Events (Note 13) (Includes \$403,431 of Expenses)	1,231,030	-	1,231,030
Government Funding	450,600	-	450,600
Contributed Goods, Services, and Facilities	63,620	-	63,620
Net Realized/Unrealized Loss on Marketable Securities	(29,129)	-	(29,129)
Interest and Dividends	26,242	13	26,255
	<u>3,207,192</u>	<u>77,061</u>	<u>3,284,253</u>
Net Assets Released From Temporary Restrictions	116,098	(116,098)	-
Total Revenue	<u>3,323,290</u>	<u>(39,037)</u>	<u>3,284,253</u>
EXPENSES			
Program	2,595,256	-	2,595,256
Management and General	134,584	-	134,584
Fundraising	584,101	-	584,101
Total Expenses	<u>3,313,941</u>	<u>-</u>	<u>3,313,941</u>
CHANGE IN NET ASSETS	9,349	(39,037)	(29,688)
NET ASSETS - BEGINNING OF YEAR	<u>1,256,968</u>	<u>155,256</u>	<u>1,412,224</u>
NET ASSETS - END OF YEAR	<u>\$ 1,266,317</u>	<u>\$ 116,219</u>	<u>\$ 1,382,536</u>

See Accompanying Notes

VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2011

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	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
REVENUES			
Gifts and Contributions	\$ 1,418,093	\$ 107,470	\$ 1,525,563
Special Events (Note 13)			
(Includes \$368,724 of Expenses)	887,459	-	887,459
Government Funding	420,184	-	420,184
Contributed Goods, Services, and Facilities	95,894	-	95,894
Net Realized/Unrealized Gain on Marketable Securities	30,376	-	30,376
Interest and Dividends	19,723	201	19,924
	<u>2,871,729</u>	<u>107,671</u>	<u>2,979,400</u>
Net Assets Released From Temporary Restrictions	173,429	(173,429)	-
Total Revenue	3,045,158	(65,758)	2,979,400
EXPENSES			
Program	2,123,895	-	2,123,895
Management and General	100,245	-	100,245
Fundraising	547,940	-	547,940
Total Expenses	<u>2,772,080</u>	<u>-</u>	<u>2,772,080</u>
CHANGE IN NET ASSETS	273,078	(65,758)	207,320
NET ASSETS - BEGINNING OF YEAR	<u>983,890</u>	<u>221,014</u>	<u>1,204,904</u>
NET ASSETS - END OF YEAR	<u>\$ 1,256,968</u>	<u>\$ 155,256</u>	<u>\$ 1,412,224</u>

See Accompanying Notes

**VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2012**

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	<u>PROGRAM</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
EXPENSES				
Children's Assistance	\$ 30,684	\$ -	\$ -	\$ 30,684
Contributed Goods	14,356	-	-	14,356
Credit Card Discount Fees	-	-	4,873	4,873
Dues & Subscriptions	16,440	4,647	4,143	25,230
Employee Benefits	127,902	1,895	30,169	159,966
Equipment & Maintenance	24,338	73	1,546	25,957
Food & Site Rental	20,648	-	7,561	28,209
Insurance	13,877	-	-	13,877
Materials	12,140	-	4,090	16,230
Mileage & Meals	86,143	3,363	4,796	94,302
Office Supplies	17,336	280	718	18,334
Payroll Taxes	123,632	7,389	31,803	162,824
Postage	4,336	105	7,337	11,778
Printing	17,538	4,699	15,768	38,005
Professional Services	57,619	10,272	33,637	101,528
Recognition Awards	5,831	-	-	5,831
Rent	333,754	6,803	22,928	363,485
Salaries	1,593,777	91,903	404,088	2,089,768
Staff Development	1,814	-	2,400	4,214
Telephone	17,767	1,193	1,160	20,120
Temporary Services	1,684	145	-	1,829
Workers' Compensation	22,499	693	3,150	26,342
TOTAL EXPENSES BEFORE OTHER EXPENSES	<u>2,544,115</u>	<u>133,460</u>	<u>580,167</u>	<u>3,257,742</u>
Depreciation	51,141	1,124	3,934	56,199
TOTAL EXPENSES	<u><u>\$ 2,595,256</u></u>	<u><u>\$ 134,584</u></u>	<u><u>\$ 584,101</u></u>	<u><u>\$ 3,313,941</u></u>

See Accompanying Notes

**VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2011**

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	<u>PROGRAM</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
EXPENSES				
Children's Assistance	\$ 25,392	\$ -	\$ -	\$ 25,392
Contributed Goods	51,077	-	-	51,077
Credit Card Fees	3,361	-	10	3,371
Dues & Subscriptions	6,520	2,419	2,280	11,219
Employee Benefits	90,162	4,058	19,982	114,202
Equipment & Maintenance	15,886	36	3,370	19,292
Food & Site Rental	13,259	-	6,541	19,800
Insurance	15,089	-	-	15,089
Materials	4,625	109	12,577	17,311
Mileage & Meals	62,011	-	4,151	66,162
Office Supplies	15,377	-	-	15,377
Payroll Taxes	109,219	6,099	33,677	148,995
Postage	5,257	370	5,625	11,252
Printing	18,424	500	13,473	32,397
Professional Services	27,810	13,676	22,817	64,303
Recognition Awards	6,960	-	245	7,205
Rent	331,973	3,340	23,384	358,697
Salaries	1,233,991	67,027	391,688	1,692,706
Staff Development	3,794	-	-	3,794
Telephone	16,838	1,069	421	18,328
Temporary Services	982	300	-	1,282
Workers' Compensation	17,186	713	3,993	21,892
TOTAL EXPENSES BEFORE OTHER EXPENSES	2,075,193	99,716	544,234	2,719,143
Depreciation	48,702	529	3,706	52,937
TOTAL EXPENSES	\$ 2,123,895	\$ 100,245	\$ 547,940	\$ 2,772,080

See Accompanying Notes

**VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011**

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	2012	2011
CASH FLOWS (USED)/PROVIDED BY OPERATING ACTIVITIES		
Change in Net Assets	\$ (29,688)	\$ 207,320
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH (USED)/PROVIDED BY OPERATING ACTIVITIES		
Depreciation	56,199	52,937
Net Realized/Unrealized Gain/(Loss) on Marketable Securities	29,129	(30,376)
Donations of Marketable Securities Included in Gifts and Contributions	(250,397)	(389,924)
Change in Operating Assets and Liabilities:		
Unconditional Promises to Give	(16,325)	12,069
Accounts Receivable	(111,887)	98,333
Prepaid Expenses	(24,023)	(13,396)
Accrued Expenses	41,754	64,889
Deferred Rent	10,411	19,224
Deferred Revenue	(141,726)	240,046
	(406,865)	53,802
NET CASH (USED)/PROVIDED BY OPERATING ACTIVITIES	(436,553)	261,122
CASH FLOWS PROVIDED/(USED) BY INVESTING ACTIVITIES		
Proceeds on Sale of Marketable Securities	230,801	404,638
Purchase of Marketable Securities	(4,054)	(508,818)
Purchase of Property and Equipment	(22,440)	(11,128)
	204,307	(115,308)
NET (DECREASE)/INCREASE IN CASH	(232,246)	145,814
CASH, BEGINNING	687,065	541,251
CASH, ENDING	\$ 454,819	\$ 687,065
SUPPLEMENTAL DISCLOSURES		
Interest Paid	\$ -	\$ -
Taxes Paid	\$ -	\$ -

See Accompanying Notes

**VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011**

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NOTE 1 ORGANIZATION

Voices For Children (the "Organization") was incorporated as a nonprofit organization under Section 501(c)(3) of the Internal Revenue Code and under the laws of the State of California on August 12, 1982. The Organization operates the only San Diego Court Appointed Special Advocate (CASA) program in the county, which trains and supervises community volunteers who are advocates for abused and neglected children in juvenile court. These volunteers undergo an extensive training program before being assigned cases involving abused children. The volunteers act as fact finders for the judges, providing the information needed to make life altering decisions for these children.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The financial statements have been prepared using the accrual method in conformity with generally accepted accounting principles.

Basis of Presentation - The Organization is required to report 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.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash - The Organization considers financial instruments with a fixed maturity date of less than three months to be cash equivalents.

Marketable Securities - Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values as quoted by market exchanges in the statement of financial position. Unrealized and realized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

VOICES FOR CHILDREN
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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurement - The Organization has adopted accounting standards consistent with the FASB codification which defines fair value, establishes a framework for measuring fair value and enhances disclosures about fair value measurements for all financial assets and liabilities.

Property and Equipment - The Organization capitalizes property and equipment in excess of \$500. Property and equipment are carried at cost. Contributed property and equipment is recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support. Depreciation is computed using the straight-line method of depreciation over the assets' estimated useful lives of five to seven years. Maintenance and repairs are charged to the expense as incurred; major renewals and betterments are capitalized. When items of property and equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in income.

Deferred Revenue - Revenues received in advance of a special event are deferred. The revenues are recognized when the event occurs.

Contributions - Contributions received are considered to be unrestricted and available for general use unless designated by the donor for a specific purpose. All donor-restricted support is reported as an increase in temporarily restricted net assets. When a restriction expires, (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Contributed Goods, Services and Facilities – The Organization has received substantial donations of goods, professional services and use of facilities. The donations are valued at their fair value at the date of donation and are reported as unrestricted support unless explicit donor stipulations specify how donated assets must be used. The Organization recognizes the value of contributed services received if such services create or enhance nonfinancial assets or requires specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed. The Organization benefited from donated professional services totaling \$3,875 and \$19,503 for the years ended June 30, 2012 and 2011 respectively. The Organization also received the use of donated facilities valued at \$23,328 for the years ended June 30, 2012 and 2011.

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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

An integral component of the Organization's work with foster children is its network of over 800 volunteers. Many volunteers dedicate several hours each month to their activities with foster children and the Organization tracks their reported hours. For fiscal years ending June 2012 and 2011, the combined donated hours reported by all the Organization volunteers totaled 55,628 and 53,538, respectively. The value of these hours is substantial, as the Bureau of Labor Statistics values similar services in California at \$24.18 per hour as of 2012, the most recent data available. These volunteers are highly trained and closely supervised in their court advocacy and assessment activities; however, they do not meet the criteria under generally accepted accounting principles to be recorded as donated services.

Functional Allocation of Expenses - The Organization allocates its expenses on a functional basis among its various programs and support services. Expenditures which can be identified with a specific program or support service are allocated directly, according to their natural expenditure classification. Costs that are common to several functions are allocated among the program and supporting services on the basis of time records, space utilized, and estimates made by the Organization's management.

Income Taxes - The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and did not conduct unrelated business activities. Therefore, no provision has been made for federal income taxes in the accompanying financial statements.

The Organization does not believe it has any taxable unrelated business income and does not have any uncertain tax positions in its returns, accordingly, the Organization had not accrued interest or penalties related to uncertain tax positions. The Organization files tax returns in the U.S. Federal jurisdiction and the State of California. The Organization is no longer subject to U.S. and California examinations by tax authorities for years before 2008 and 2007.

NOTE 3 CASH

The Organization maintains its cash in two national commercial banks. Accounts at these institutions are at least partially insured by the Federal Deposit Insurance Corporation (FDIC). At June 30, 2012 and 2011, the Organization had approximately \$0 and \$265,000, respectively, in excess of their insured limits at the financial institutions. The Organization has not experienced any losses in such accounts. Management believes that the Organization is not exposed to any significant credit risk with respect to its cash.

VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

NOTE 3 CASH (Continued)

Cash consists of the following:

	2012	2011
Unrestricted Cash	\$ 418,600	\$ 641,809
Temporarily Restricted Cash	36,219	45,256
Total Cash	\$ 454,819	\$ 687,065

The temporarily restricted accounts have donor restrictions on their use and cannot be used for the Organization's operational expenses.

NOTE 4 MARKETABLE SECURITIES

Marketable securities consist of the following:

<u>2012</u>	<u>Cost</u>	<u>Fair Value</u>
Bond Funds	\$ 887,344	\$ 886,199
Equity Funds	52,249	49,361
	\$ 939,593	\$ 935,560
 <u>2011</u>	 <u>Cost</u>	 <u>Fair Value</u>
Bond Funds	\$ 886,806	\$ 890,470
Equity Funds	51,057	50,569
	\$ 937,863	\$ 941,039

The following schedules summarize the investment income and its classification for the years ended June 30, 2012 and 2011. All investment income was unrestricted.

	2012	2011
Interest and Dividends	\$ 25,970	\$ 16,792
Net Realized/Unrealized Gain on Marketable Securities	(29,129)	30,376
	\$ (3,159)	\$ 47,168

NOTE 5 DESIGNATED CASH AND MARKETABLE SECURITIES

A reserve of cash and marketable securities was designated during the 1997 fiscal year by the board of directors as an emergency fund for operational expenses. For the years ending June 30, 2012 and 2011, this reserve amounted to approximately \$898,000 and \$885,000, respectively, which is included in the cash and marketable securities.

**VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011**

NOTE 6 UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give are recognized as revenues and a corresponding asset depending on the period received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Unconditional promises to give consist of the following at June 30:

	2012	2011
Unconditional Promises to Give	\$ 126,325	\$ 110,000
Less: Discount	-	-
	\$ 126,325	\$ 110,000

Unconditional promises to give due in one to five years are discounted at 3%.

The following is a schedule by years of future receipts for unconditional promises to give together with their present value as of June 30:

2013	\$ 126,325
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NOTE 7 ACCOUNTS RECEIVABLE

Accounts receivable consists of grant receivables from the San Diego Superior Court for the salaries of certain program employees and other receivables related to special events. \$43,067 and \$28,543 was due from the San Diego Superior Court as of June 30, 2012 and 2011, respectively. An allowance for doubtful accounts is accounted for using the specific identification method and uncollectible accounts are written-off after all collection attempts have been exhausted. Management believes that all accounts receivable were collectible as of June 30, 2012 and 2011, therefore no allowance has been recorded.

NOTE 8 FAIR VALUE MEASUREMENT

The Organization adopted the methods of fair value measurement to value its financial assets. Fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels has been established, which are described below:

**VOICES FOR CHILDREN
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NOTE 8 FAIR VALUE MEASUREMENT (Continued)

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

Financial assets and liabilities carried at fair value at June 30, 2012 and 2011 are classified below in one of three categories described above. The table below presents the balances of assets measured at fair value on a recurring basis.

Assets	2012 Level 1	2012 Level 2	2012 Level 3	2012 Total
Marketable Securities	\$ 935,560	\$ -	\$ -	\$ 935,560
Assets	2011 Level 1	2011 Level 2	2011 Level 3	2011 Total
Marketable Securities	\$ 941,039	\$ -	\$ -	\$ 941,039

The investments in marketable securities are valued at market prices in active markets and are classified as Level 1.

VOICES FOR CHILDREN
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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 9 PROPERTY AND EQUIPMENT

Major categories of property and equipment are summarized as follows:

	Balance July 1, 2011	Additions	Disposals	Balance June 30, 2012
Computers	\$ 228,793	\$ 3,472	\$ -	\$ 232,265
Office Furniture and Equipment	80,705	18,967	-	99,672
Phone System	46,223	-	-	46,223
	<u>\$ 355,721</u>	<u>\$ 22,439</u>	<u>\$ -</u>	<u>378,160</u>
Accumulated Depreciation				(236,300)
				<u>\$ 141,860</u>

	Balance July 1, 2010	Additions	Disposals	Balance June 30, 2011
Computers	\$ 220,832	\$ 7,961	\$ -	\$ 228,793
Office Furniture and Equipment	77,538	3,167	-	80,705
Phone System	46,223	-	-	46,223
	<u>\$ 344,593</u>	<u>\$ 11,128</u>	<u>\$ -</u>	<u>355,721</u>
Accumulated Depreciation				(180,102)
				<u>\$ 175,619</u>

Depreciation expense was \$56,198 and \$52,937 for the years ended June 30, 2012 and 2011, respectively.

NOTE 10 ACCRUED EXPENSES

Accrued expenses consist of the following:

	2012	2011
Accrued Payables	\$ 148,319	\$ 118,261
Accrued Vacation	107,222	95,526
	<u>\$ 255,541</u>	<u>\$ 213,787</u>

**VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011**

NOTE 11 LINE OF CREDIT

The Organization has a line of credit for \$100,000 with California Bank & Trust. The Organization has drawn \$0 against this line as of June 30, 2012 and 2011. The line of credit is collateralized by substantially all of the assets of the Organization. The interest rate on the line is prime (3.25% at June 30, 2012 and 2011) plus 1%. The line of credit matured on September 30, 2012.

NOTE 12 RETIREMENT PLAN

The Organization maintains a tax deferred retirement plan qualified under Section 403(b) of the Internal Revenue Code. Eligible employees may contribute a percentage of their compensation to the plan. The Organization does not make contributions to the plan.

While the Organization expects to continue the plan indefinitely, it has reserved the right to modify, amend, or terminate the plan. In the event of termination, the entire amount contributed under the plan must be applied to the payment of benefits to the participants or their beneficiaries.

NOTE 13 SPECIAL EVENTS

Special events revenues and expenses are directly related to fundraising and consist of the following:

	2012	2011
Revenue		
Starry Night	\$ 1,004,015	\$ 840,984
Makua	186,031	153,787
Golf Tournament	178,724	130,940
Wine Party	173,319	51,625
Other Fundraisers	92,372	78,847
	1,634,461	1,256,183
Expenses		
Starry Night	228,422	222,325
Makua	48,451	66,532
Golf Tournament	38,913	44,366
Wine Party	59,816	10,034
Other Fundraisers	27,829	25,467
	403,431	368,724
Special Events Income	\$ 1,231,030	\$ 887,459

**VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011**

NOTE 14 TEMPORARILY RESTRICTED NET ASSETS

Temporary restricted net assets consists of the following at June 30, 2012 and June 30, 2011:

	2012	2011
Other Pledges Receivable	\$ 80,000	\$ 60,000
Children's Assistance Fund	36,219	45,256
Pledges Receivable Restricted for Fundraising	-	50,000
	\$ 116,219	\$ 155,256

NOTE 15 COMMITMENTS

The Organization has entered into an operating lease for office space that expires in November 2016. Rent expense for 2012 and 2011 was \$363,485 and \$339,473, respectively; which includes \$23,328 and \$23,328 of donated office space from the Juvenile Court for the years ended June 30, 2012 and 2011, respectively. The Organization expects that the Juvenile Court will make such in-kind donations in the future.

The Organization also leases equipment under an operating lease that extends through June 2013. Payments under this lease are approximately \$339 per quarter.

Minimum future payments under non-cancelable operating leases, in aggregate, having remaining terms in excess of one year for the years ended June 30 are as follows:

2013	\$ 313,089
2014	321,086
2015	360,219
2016	371,028
2017	156,495
	\$ 1,521,917

NOTE 16 SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 1, 2012, the date which the financial statements were available to be issued. There were no material subsequent events which affected the amounts or disclosures in the financial statements.