



CASACOLUMBIA

Financial Statements

December 31, 2014

(with comparative financial information as of
December 31, 2013)

(With Independent Auditors' Report Thereon)



KPMG LLP
345 Park Avenue
New York, NY 10154-0102

Independent Auditors' Report

The Board of Directors
CASAColumbia:

We have audited the accompanying financial statements of CASAColumbia (CASA), which comprise the balance sheet as of December 31, 2014, and the related statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; 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.

Auditors' 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 auditors' 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 organization'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 organization'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 CASAColumbia as of December 31, 2014, and the changes in its net assets and its cash flows for the year then ended, in accordance with U.S. generally accepted accounting principles.



Report on Summarized Comparative Information

We have previously audited CASA's 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 24, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2013 is consistent, in all material respects, with the audited financial statements from which it has been derived.

KPMG LLP

May 7, 2015

CASACOLUMBIA

Balance Sheet

December 31, 2014

(with comparative financial information as of
December 31, 2013)

Assets	2014	2013
Cash and cash equivalents	\$ 1,023,541	789,433
Grants and contributions receivable, net (note 4)	2,641,564	2,787,427
Prepaid expenses and other assets	251,030	276,077
Investments (note 3)	54,027,348	55,331,296
Property and equipment, net (note 5)	9,231,046	9,602,178
Total assets	<u>\$ 67,174,529</u>	<u>68,786,411</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 1,135,495	1,207,738
Deferred revenue	696,142	673,292
Bonds payable (note 6)	14,000,000	14,000,000
Total liabilities	<u>15,831,637</u>	<u>15,881,030</u>
Net assets:		
Unrestricted:		
Available for operations	5,512,477	6,398,657
Amounts designated for (note 2):		
The Joseph A. Califano, Jr. Institute for Applied Policy	8,713,631	7,821,613
Program Concentration Fund	32,681,796	34,212,234
Total unrestricted	<u>46,907,904</u>	<u>48,432,504</u>
Temporarily restricted (note 8)	<u>4,434,988</u>	<u>4,472,877</u>
Total net assets	<u>51,342,892</u>	<u>52,905,381</u>
Total liabilities and net assets	<u>\$ 67,174,529</u>	<u>68,786,411</u>

See accompanying notes to financial statements.

CASACOLUMBIA

Statement of Activities

Year ended December 31, 2014
(with summarized financial information for the
year ended December 31, 2013)

	2014			2013
	Unrestricted	Temporarily restricted	Total	Total
Revenues:				
Grants	\$ 1,050,594	1,381,859	2,432,453	1,009,124
Contributions	164,636	545,764	710,400	545,591
Net investment return (note 3)	1,625,648	—	1,625,648	6,323,466
Donated services	81,947	—	81,947	74,823
Special events (note 4)	1,636,516	—	1,636,516	1,464,576
Less direct benefits to donors (note 4)	(148,429)	—	(148,429)	(144,720)
Net special events revenues	1,488,087	—	1,488,087	1,319,856
Rental income (note 5)	392,869	—	392,869	392,869
Miscellaneous revenue	2,171	255	2,426	1,535
Net assets released from restrictions:				
Satisfaction of purpose restrictions	1,376,620	(1,376,620)	—	—
Expiration of time restrictions	510,000	(510,000)	—	—
Total revenues	<u>6,692,572</u>	<u>41,258</u>	<u>6,733,830</u>	<u>9,667,264</u>
Expenses and losses:				
Program operations:				
Public policy	1,223,356	—	1,223,356	1,732,199
Health and treatment research	2,096,631	—	2,096,631	1,964,729
Research and program development	1,616,205	—	1,616,205	1,794,305
Communications and outreach	1,095,488	—	1,095,488	983,391
Special projects	332,745	—	332,745	294,671
Total program operations	<u>6,364,425</u>	<u>—</u>	<u>6,364,425</u>	<u>6,769,295</u>
Supporting services:				
Administration	1,507,834	—	1,507,834	1,685,787
Fund-raising (note 4)	344,913	—	344,913	397,761
Total supporting services	<u>1,852,747</u>	<u>—</u>	<u>1,852,747</u>	<u>2,083,548</u>
Total expenses	8,217,172	—	8,217,172	8,852,843
Losses on uncollectible grants receivable	—	79,147	79,147	3,400
Total expenses and losses	<u>8,217,172</u>	<u>79,147</u>	<u>8,296,319</u>	<u>8,856,243</u>
(Decrease) increase in net assets	(1,524,600)	(37,889)	(1,562,489)	811,021
Net assets at beginning of year	48,432,504	4,472,877	52,905,381	52,094,360
Net assets at end of year	<u>\$ 46,907,904</u>	<u>4,434,988</u>	<u>51,342,892</u>	<u>52,905,381</u>

See accompanying notes to financial statements.

CASACOLUMBIA

Statement of Functional Expenses

Year ended December 31, 2014
(with summarized financial information for the
year ended December 31, 2013)

	<u>Public policy</u>	<u>Health and treatment research</u>	<u>Research and program development</u>	<u>Communications and outreach</u>
Salaries and wages	\$ 736,981	855,131	974,307	585,825
Fringe benefits	228,464	265,091	302,035	181,605
Total salaries and wages and fringe benefits	965,445	1,120,222	1,276,342	767,430
Professional services	79,819	212,228	94,032	104,656
Communications/marketing/promotional	150	—	—	24,547
Pass-through grants and contracts	—	493,029	—	18,475
Office expenses and supplies	896	10,966	1,796	4,044
Postage and delivery	53	460	43	80
Telephone and facsimile	44	5,294	4,680	350
Occupancy and related costs	78,128	90,652	103,286	62,103
Equipment maintenance	—	12,533	150	3,158
Printing and duplicating	—	366	4	884
Travel, meetings, and conferences	7,006	39,406	5,360	3,896
Dues, subscriptions, and publications	—	4,939	9,130	32,603
Insurance	15,328	17,786	20,264	12,184
Interest/financing	18,395	21,344	24,318	14,622
Recruitment	—	—	—	279
Depreciation and amortization	58,092	67,406	76,800	46,177
Miscellaneous	—	—	—	—
Total expenses	\$ <u>1,223,356</u>	<u>2,096,631</u>	<u>1,616,205</u>	<u>1,095,488</u>
Direct benefits to donors				

See accompanying notes to financial statements.

Special projects	Total program operations	Supporting services			Total supporting services	Total expenses	
		Administration	Fund-raising	2014		2013	
144,467	3,296,711	502,945	93,321	596,266	3,892,977	4,255,096	
44,785	1,021,980	159,526	28,930	188,456	1,210,436	1,323,809	
189,252	4,318,691	662,471	122,251	784,722	5,103,413	5,578,905	
17,843	508,578	228,453	172,905	401,358	909,936	986,602	
26,026	50,723	577	16,049	16,626	67,349	44,369	
—	511,504	—	—	—	511,504	501,018	
3,124	20,826	38,821	15	38,836	59,662	65,784	
1,351	1,987	6,408	467	6,875	8,862	9,109	
55	10,423	44,131	6	44,137	54,560	47,974	
15,315	349,484	141,831	9,893	151,724	501,208	492,265	
18,067	33,908	69,914	4,200	74,114	108,022	69,091	
2,108	3,362	2,550	10	2,560	5,922	4,852	
28,413	84,081	26,158	1,198	27,356	111,437	81,148	
13,185	59,857	19,435	—	19,435	79,292	72,626	
3,005	68,567	22,222	1,941	24,163	92,730	86,565	
3,606	82,285	42,859	2,329	45,188	127,473	128,824	
—	279	—	—	—	279	64,553	
11,387	259,862	124,875	7,356	132,231	392,093	396,032	
8	8	77,129	6,293	83,422	83,430	223,126	
332,745	6,364,425	1,507,834	344,913	1,852,747	8,217,172	8,852,843	
					148,429	144,720	
					\$ 8,365,601	8,997,563	

CASACOLUMBIA

Statement of Cash Flows

Year ended December 31, 2014
(with comparative financial information for the
year ended December 31, 2013)

	2014	2013
Cash flows from operating activities:		
(Decrease) increase in net assets	\$ (1,562,489)	811,021
Adjustments to reconcile (decrease) increase in net assets to net cash used in operating activities:		
Depreciation and amortization	392,093	396,032
Net unrealized depreciation (appreciation) in fair value of investments	2,498,670	(3,545,010)
Net realized gains on investments	(3,072,126)	(1,533,312)
Losses on uncollectible grants receivable	79,147	3,400
Changes in operating assets and liabilities:		
Grants and contributions receivable	66,716	2,314,498
Prepaid expenses and other assets	25,047	1,382
Accounts payable and accrued expenses	(72,243)	(359,751)
Deferred revenue	22,850	432,529
Net cash used in operating activities	(1,622,335)	(1,479,211)
Cash flows from investing activities:		
Proceeds from sales of investments	17,438,115	11,135,733
Purchases of investments	(15,560,711)	(9,463,436)
Acquisitions of property and equipment	(20,961)	(8,663)
Net cash provided by investing activities	1,856,443	1,663,634
Net increase in cash and cash equivalents	234,108	184,423
Cash and cash equivalents at beginning of year	789,433	605,010
Cash and cash equivalents at end of year	\$ 1,023,541	789,433
Supplemental disclosures of cash flow information:		
Interest paid	\$ 8,469	14,157
Donated services	81,947	74,823

See accompanying notes to financial statements.

CASACOLUMBIA

Notes to Financial Statements

December 31, 2014

(with comparative financial information as of
December 31, 2013)

(1) Organization and Tax-Exempt Status

Incorporated in April 1991, CASAColumbia (CASA), formerly The National Center on Addiction and Substance Abuse at Columbia University, is a not-for-profit organization that informs Americans of the economic and social costs of addiction and risky substance use and its impact on their lives; assesses what works in prevention, treatment and disease management; and encourages every individual and institution to take responsibility to reduce these health problems. CASA strives to provide health care providers, policymakers and individuals with the tools they need to succeed and to remove the stigma of addiction, replacing shame and despair with hope.

CASA has been classified as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code (the Code) as an organization described in Section 501(c)(3). It has been classified as an organization that is not a private foundation under Section 509(a) and has been designated as a “publicly supported” organization under Sections 509(a)(1) and 170(b)(1)(A)(vi) of the Code.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

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

(b) Basis of Presentation

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

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets also include amounts designated for The Joseph A. Califano, Jr. Institute for Applied Policy and the Program Concentration Fund (the PCF). A description of each follows:

In 2010, the CASA Board of Directors authorized a fund-raising campaign and agreed that the funds raised would be used to establish The Joseph A. Califano, Jr. Institute for Applied Policy. This fund supports research to enhance awareness, among the general public and policymakers, of the facts and costs of substance abuse and addiction, and catalyze the design and implementation of policies and programs for prevention and treatment of substance abuse and addiction as a medical condition. Its efforts aim to embed a fuller understanding into policy systems and practical programs at the national, state, and local levels.

The net assets of the PCF are designated by CASA to be used for the research and understanding of substance abuse, often before projects are ready for specific program funding. The PCF underwrites the research and program development capacity to accomplish this. The asset allocation target objectives for the investment portfolio are achieved by using a combination of diversified low-cost mutual funds and multi-strategy funds.

CASACOLUMBIA

Notes to Financial Statements

December 31, 2014

(with comparative financial information as of
December 31, 2013)

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that will be met by either actions of CASA and/or the passage of time.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

(c) *Fair Value Measurements*

Fair value is defined as the exchange price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The fair value hierarchy maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that CASA has the ability to access at the measurement date.
- Level 2 inputs include quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities, as well as any alternative investments (measured at net asset value) that are redeemable at or near the balance sheet date.
- Level 3 inputs are unobservable inputs for the assets or liability as well as any alternative investments (measured at net asset value) that are not redeemable at or near the balance sheet date.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest-level input that is significant to the fair value measurement in its entirety.

(d) *Cash and Cash Equivalents*

Cash and cash equivalents include all short-term liquid investments with original maturities of three months or less, except for those short-term investments held by CASA's investment managers as part of a long-term investment strategy.

(e) *Investments*

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the accompanying balance sheet, as determined by quoted market prices.

CASACOLUMBIA

Notes to Financial Statements

December 31, 2014

(with comparative financial information as of
December 31, 2013)

Investments in funds that do not have readily determinable fair values (alternative investments) are measured at estimated fair value using net asset value per share or its equivalent as reported by the fund managers. The estimated fair values may differ significantly from values that would have been used had a ready market for these securities existed. These values are reviewed and evaluated by management. Given that the net asset value reported by each fund is used as a practical expedient to estimate the fair value of CASA's interest therein, the classification in the fair value hierarchy as Level 2 or Level 3 is based on CASA's ability to redeem its interest at or near the balance sheet date. Interests that can be redeemed generally within 90 days of the balance sheet date are classified in Level 2.

Realized and unrealized gains and losses are recognized as changes in net assets in the period in which they occur, and interest and dividends are recognized as revenue in the period earned.

(f) *Property and Equipment*

Property and equipment are recorded at cost. Furniture and equipment are depreciated on a straight-line basis over their estimated useful lives of 3 to 10 years. The condominium interest and improvements are depreciated on a straight-line basis over their estimated useful lives of 40 years.

(g) *Donated Services*

The value of donated services (principally legal services) is based on information obtained from the providers and is reported as both revenues and expenses in the accompanying statement of activities.

(h) *Grants and Contributions*

Grants and contributions, including unconditional promises to give, are reported as revenues in the period received except those grants that are deemed to be exchange transactions, which are reported as revenue as expenses are incurred. Grants and contributions receivable are reported at their discounted net present value (using a discount rate of 0.39% to 2.42%). An allowance for amounts estimated to be uncollectible is provided based upon management judgment, including such factors as prior collection history and type of grants and contributions.

Amounts received in excess of amounts recognized is included in deferred revenue.

(i) *Expenses*

The costs of providing programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

CASACOLUMBIA

Notes to Financial Statements

December 31, 2014

(with comparative financial information as of
December 31, 2013)

(j) *Use of Estimates*

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure 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.

(k) *Fair Value Disclosures of Financial Instruments*

Management estimates that the carrying value of CASA's bonds payable is not materially different from its fair value at December 31, 2014 and 2013 because the bonds bear variable interest rates that are not significantly different from current market rates for loans with similar maturity and credit quality. The fair value of investments is discussed in note 3. The carrying amount of CASA's other financial instruments, including grants and contributions receivable and accounts payable and accrued expenses, approximates fair value due to their short-term maturity. The estimated fair values, however, involve unobservable inputs considered to be Level 3 in the fair value hierarchy.

(l) *Prior Year Summarized Comparative Financial Information*

The financial statements include certain prior year summarized comparative information in total but not by net asset class or function in the accompanying statement of activities and the statement of functional expenses, respectively. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with CASA's financial statements as of and for the year ended December 31, 2013, from which the summarized information was derived.

(m) *Subsequent Events*

In connection with the preparation of the financial statements, CASA evaluated events after the balance sheet date of December 31, 2014 through May 7, 2015, which was the date the financial statements were issued, and determined that there were no additional matters that are required to be disclosed.

(3) *Investments*

CASA invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the balance sheet.

CASACOLUMBIA

Notes to Financial Statements

December 31, 2014

(with comparative financial information as of
December 31, 2013)

The following tables present the fair value hierarchy for investments, the only financial instruments measured at fair value, as of December 31, 2014 and 2013:

		2014			
		<u>Fair value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash and cash equivalents	\$	1,520,649	1,520,649	—	—
Cash pending investment		3,000,000	3,000,000	—	—
Fixed-income mutual funds		6,549,219	6,549,219	—	—
Equity mutual funds:					
Domestic		22,042,986	22,042,986	—	—
International		10,183,528	10,183,528	—	—
Alternative investments:					
Absolute return fund		5,311,611	—	—	5,311,611
Event-driven fund		5,419,355	—	5,419,355	—
Total investments	\$	<u>54,027,348</u>	<u>43,296,382</u>	<u>5,419,355</u>	<u>5,311,611</u>

		2013			
		<u>Fair value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash and cash equivalents	\$	1,849,939	1,849,939	—	—
Fixed-income mutual funds		9,504,875	9,504,875	—	—
Equity mutual funds:					
Domestic		19,901,519	19,901,519	—	—
International		12,680,740	12,680,740	—	—
Balanced mutual funds		2,980,751	2,980,751	—	—
Alternative investments:					
Absolute return fund		4,197,846	—	—	4,197,846
Event-driven fund		4,215,626	—	4,215,626	—
Total investments	\$	<u>55,331,296</u>	<u>46,917,824</u>	<u>4,215,626</u>	<u>4,197,846</u>

In addition to mutual funds, CASA holds shares or units in alternative investment funds. These strategies involve funds whose managers have the authority to invest in various asset classes at their discretion. The investment strategies in these alternative investments are as follows:

Absolute return fund – This investment follows an absolute return approach that combines relative value and arbitrage strategies with opportunistic investments. The investment seeks capital preservation through superior risk-adjusted returns with relatively low volatility and relatively low correlation to most major market indices. The fund generally strives to hedge most systematic risks, including equity, currency, and commodity risk and to selectively take exposure to interest rate, curve, credit spread, credit default, volatility, and various idiosyncratic risks.

CASACOLUMBIA

Notes to Financial Statements

December 31, 2014
(with comparative financial information as of
December 31, 2013)

Event-driven fund – The fund seeks to achieve capital appreciation and engages primarily in event-driven investments to attempt to exploit situations in which announced or anticipated events create inefficiencies in the pricing of securities. The fund invests primarily in the securities of issuers experiencing financial distress, that are attempting to complete an out-of-court restructuring, are involved in a bankruptcy or similar proceeding, and/or are involved in substantial litigation or that are the subject of proposed changes in corporate structure or control, such as tender or exchange offers, mergers, unsolicited merger proposals, spin-offs, split-offs, liquidations, and recapitalizations.

Redemption for the absolute return fund is allowed quarterly with 90 days' notice with a maximum redemption of 25% per quarter and redemption for the event-driven fund is allowed quarterly with 60 days' notice.

Cash pending investment includes \$3,000,000 invested in an international value fund on January 1, 2015, which invests in a broad range of securities including public equities and debt securities, direct loans, real estate debt and other instruments. Redemption for the international value fund is allowed every two years on the anniversary date with 90 days' notice.

The following table presents the reconciliation for the absolute return fund Level 3 investment for the years ended December 31, 2014 and 2013:

	2014	2013
Balance at beginning of year	\$ 4,197,846	3,905,488
Purchases	1,000,000	—
Net appreciation in fair value of investments	113,765	292,358
Balance at end of year	\$ 5,311,611	4,197,846

Net investment return for the years ended December 31, 2014 and 2013 consists of the following:

	2014	2013
Interest and dividends	\$ 1,052,192	1,245,144
Net unrealized (depreciation) appreciation in fair value of investments	(2,498,670)	3,545,010
Net realized gains on investments	3,072,126	1,533,312
	\$ 1,625,648	6,323,466

CASACOLUMBIA

Notes to Financial Statements

December 31, 2014
(with comparative financial information as of
December 31, 2013)

(4) Grants and Contributions

Grants and contributions receivable are scheduled to be collected as follows at December 31, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Less than one year	\$ 1,934,849	1,718,180
One to five years	750,000	1,083,825
Greater than five years	—	50,000
	<u>2,684,849</u>	<u>2,852,005</u>
Discount to present value of future cash flows	<u>(43,285)</u>	<u>(64,578)</u>
Grants and contributions receivable, net	<u>\$ 2,641,564</u>	<u>2,787,427</u>

During 2014 and 2013, 84% and 71%, respectively, of grants and contributions revenues were from four and six funding sources, respectively. At December 31, 2014 and 2013, 70% and 56% of grants and contributions receivable, net, were from three funding sources.

During 2014 and 2013, CASA held its annual Anniversary Celebration and Awards Benefit Dinner. Revenues totaled \$1,636,516 and \$1,464,576 in 2014 and 2013, respectively. Total costs for these events, totaling \$301,098 and \$371,518 in 2014 and 2013, respectively, are included in either direct benefits to donors or fund-raising expense in the accompanying statement of activities.

(5) Property and Equipment

Property and equipment at December 31, 2014 and 2013 consist of the following:

	<u>2014</u>	<u>2013</u>
Condominium interest and improvements	\$ 14,336,095	14,336,095
Furniture and equipment	<u>1,682,898</u>	<u>1,661,937</u>
	16,018,993	15,998,032
Accumulated depreciation and amortization	<u>(6,787,947)</u>	<u>(6,395,854)</u>
Property and equipment, net	<u>\$ 9,231,046</u>	<u>9,602,178</u>

CASACOLUMBIA

Notes to Financial Statements

December 31, 2014

(with comparative financial information as of
December 31, 2013)

CASA leases a portion of its condominium under an operating lease that expires in September 2020. Total lease income in 2014 and 2013 was \$392,869. Future minimum lease payments are as follows:

Year ending December 31:	
2015	\$ 392,869
2016	392,869
2017	392,869
2018	392,869
2019	392,869
2020	294,652
	<hr/>
	\$ 2,258,997
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(6) Bonds Payable

In 2000, the New York City Industrial Development Agency (the Agency) issued \$14 million in Adjustable Rate Demand Civic Facility Revenue Bonds, Series 2000 (2000 CASA Project) to refinance a note that was used to finance the purchase of condominium units (the Facility). The bonds consist of term bonds with a maturity of March 1, 2020, at an initial interest rate of 3.85%. During 2014, the interest rates ranged from 0.04% to 0.14% per annum. During 2013, the interest rates ranged from 0.05% to 0.24% per annum. The bonds are supported by an irrevocable direct-pay letter of credit from JPMorgan Chase Bank in the amount of \$14,230,137, which has been extended through March 2016. Under the terms of the letter of credit reimbursement agreement, CASA is required to comply with certain financial covenants. CASA complied with those covenants as of and for the year ended December 31, 2014.

The trustee of the bonds holds a mortgage note on the Facility secured by the property on which the Facility was built, as well as the condominium and improvements, furniture, and fixtures thereon.

In conjunction with the financing, the parties thereto agreed that the Agency would take title to all assets constructed from the proceeds of the financing. Concurrently, CASA entered into a lease agreement with the Agency to lease those assets. Title to these assets transfers to CASA when the bonds are extinguished. Accordingly, the proceeds of the bonds and the property, which are the subject of the lease agreement, and the outstanding bonds are included in the accompanying balance sheet.

(7) Pension Plan

CASA has a noncontributory defined-contribution pension plan covering substantially all employees. Contributions are based on the following formula: 8.0% of the first \$117,000 of annual salary and 13.7% of annual salary in excess of \$117,000 to a maximum of \$260,000. Total pension expense for the years ended December 31, 2014 and 2013 was \$293,925 and \$327,526, respectively.

CASACOLUMBIA

Notes to Financial Statements

December 31, 2014

(with comparative financial information as of
December 31, 2013)

(8) Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes or periods at December 31, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Communications	\$ —	195,587
Public policy	2,879,390	3,139,256
Health and treatment research	794,006	122,427
Special projects	47,083	89,179
Future periods	714,509	926,428
	<u>\$ 4,434,988</u>	<u>4,472,877</u>