

COURT APPOINTED SPECIAL ADVOCATES

AUDITED FINANCIAL STATEMENTS

For the Years Ended June 30, 2018 and 2017

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Court Appointed Special Advocates

Report on the Financial Statements

I have audited the accompanying Statements of Financial Position of Court Appointed Special Advocates (a California Not for Profit Organization) as of June 30, 2018 and 2017, and the related Statements of Activities, Functional Expenses and Cash Flows for the years 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 accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on our audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain 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 controls 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 controls. Accordingly, I 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.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Court Appointed Special Advocates as of June 30, 2018 and 2017, and the results of its operations and its cash flows for the years ended June 30, 2018 and 2017 in conformity with accounting principles generally accepted in the United States of America.



Ken Waterman, CPA
A Professional Corporation
Santa Rosa, California
September 7, 2018

**COURT APPOINTED SPECIAL ADVOCATES
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2018 and 2017**

ASSETS:

Current Assets	<u>2018</u>	<u>2017</u>
Cash and cash equivalents	\$ 1,195,197	\$ 1,035,577
Accounts receivable	0	0
Prepaid insurance and other expenses	<u>870</u>	<u>1,088</u>
Total Current Assets	<u>1,196,067</u>	<u>1,036,665</u>
 Fixed Assets		
Furniture and fixtures	30,455	30,455
Equipment	<u>64,621</u>	<u>62,529</u>
	95,076	92,984
Less accumulated depreciation	<u>(83,448)</u>	<u>(78,936)</u>
Total Fixed Assets	<u>11,628</u>	<u>14,048</u>
 TOTAL ASSETS	 <u>\$ 1,207,695</u>	 <u>\$ 1,050,713</u>

LIABILITIES AND NET ASSETS:

Current Liabilities		
Accounts payable	\$ 4,844	\$ 0
Deferred income	<u>26,000</u>	<u>55,000</u>
Total Liabilities	<u>30,844</u>	<u>55,000</u>
 Net Assets		
Unrestricted	<u>1,176,851</u>	<u>995,713</u>
Total Net Assets	<u>1,176,851</u>	<u>995,713</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 1,207,695</u>	 <u>\$ 1,050,713</u>

See Accompanying Notes and Independent Accountant's Report

**COURT APPOINTED SPECIAL ADVOCATES
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
REVENUES, GAINS AND OTHER SUPPORT:		
Contributions:		
Corporate gifts	\$ 64,285	\$ 28,032
Gifts from individuals	42,020	29,125
Grants	336,493	248,735
Gifts in kind	97,200	94,700
Revenue:		
Special events	98,955	164,671
Interest and dividend income	<u>992</u>	<u>917</u>
TOTAL UNRESTRICTED REVENUES AND SUPPORT	<u>639,945</u>	<u>566,180</u>
 OPERATING EXPENSES:		
Program services:		
Total program expenses	343,899	353,799
Support services:		
Management and general	92,231	100,716
Special events costs	<u>22,677</u>	<u>28,335</u>
TOTAL EXPENSES	<u>458,807</u>	<u>482,850</u>
CHANGE IN NET ASSETS	181,138	83,330
NET UNRESTRICTED ASSETS - BEGINNING OF YEAR	<u>995,713</u>	<u>912,383</u>
NET UNRESTRICTED ASSETS - END OF YEAR	<u><u>\$ 1,176,851</u></u>	<u><u>\$ 995,713</u></u>

See Accompanying Notes and Independent Accountant's Report

**COURT APPOINTED SPECIAL ADVOCATES
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2018 and 2017**

	2018					2017			
	<u>Program Services</u>	<u>Support Services</u>		<u>Total</u>		<u>Program Services</u>	<u>Support Services</u>		<u>Total</u>
		<u>Management and General</u>	<u>Events</u>				<u>Management and General</u>	<u>Events</u>	
Payroll and burden									
Payroll	\$ 180,651	\$ 36,478	\$ ---	\$ 217,129		\$ 183,042	\$ 36,961	\$ ---	\$ 220,003
Payroll taxes	15,218	3,073	---	18,291		15,315	3,415	---	18,730
Insurance and benefits	7,827	1,580	---	9,407		7,628	1,540	---	9,168
Staff expenses	3,207	647	---	3,854		3,767	761	---	4,528
In kind - trainers	30,950	6,250		37,200					
Contract services	---	165,041	---	16,504		---	24,469	---	24,469
Depreciation expense	3,754	758	---	4,512		5,266	1,063	---	6,329
Event costs	---	---	22,677	22,677		---	---	28,335	28,335
Insurance	2,014	1,500	---	3,514		5,000	1,500	---	6,500
In kind - rent	50,256	9,744	---	60,000		48,256	9,744	---	58,000
Conference and meetings	---	1,755	---	1,755		---	1,083	---	1,083
Volunteer expenses	9,171	5,601	---	14,772		27,739	5,601	---	33,340
Office supplies and repairs	5,364	3,666	---	9,030		18,155	3,666	---	21,821
Activity fund	13,334	---	---	13,334		14,389	---	---	14,389
Dues and fees	519	728	---	1,247		3,608	728	---	4,336
Computer costs	---	7,038	---	2,499		---	7,038	---	7,038
Postage and printing	5,862	1,184	---	4,587		5,862	1,184	---	7,046
Telephone	9,719	1,962	---	8,691		9,719	1,962	---	11,681
Public relations	6,054	---	---	2,107		6,054	---	---	6,054
Total Expenses	<u>\$ 343,899</u>	<u>\$ 92,231</u>	<u>\$ 22,677</u>	<u>\$ 470,383</u>		<u>\$ 353,799</u>	<u>\$ 100,716</u>	<u>\$ 28,335</u>	<u>\$ 482,850</u>

See Accompanying Notes and Independent Accountant's Report

**COURT APPOINTED SPECIAL ADVOCATES
STATEMENTS OF CASH FLOW
YEARS ENDED JUNE 30, 2018 and 2017**

OPERATING ACTIVITIES:	<u>2018</u>	<u>2017</u>
Changes in Net Assets	\$ 181,138	\$ 83,330
Adjustments to reconcile changes in net assets to net cash used by operating activities:		
Depreciation	4,512	6,329
(Increase) decrease in:		
Accounts receivable	0	2,500
Employee advances	0	0
Prepaid insurance and other prepaid expenses	219	567
Interest receivable	0	0
Increase (decrease) in:		
Accounts payable	4,843	(884)
Deferred income	<u>(29,000)</u>	<u>0</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>161,712</u>	<u>91,842</u>
INVESTING ACTIVITIES		
Equipment acquisitions	<u>(2,092)</u>	<u>0</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(2,092)</u>	<u>0</u>
NET INCOME (USE) OF CASH	159,620	91,842
CASH IN UNRESTRICTED ACCOUNTS		
Beginning of Year	<u>1,035,577</u>	<u>943,735</u>
End of Year	<u>\$ 1,195,197</u>	<u>\$ 1,035,577</u>

See Accompanying Notes and Independent Accountant's Report

**COURT APPOINTED SPECIAL ADVOCATES
NOTES TO FINANCIAL STATEMENTS**

NOTE A- Description of Organization and Summary of Significant Accounting Policies.

Nature of Activities:

Court Appointed Special Advocates (CASA) was initiated in 1996 in Sonoma County, California. It received its advanced ruling from the Internal Revenue Service beginning December 11, 1997. Its programs are focused on serving abused and neglected children in Sonoma County coming before the Juvenile Court for protection.

Basis of Accounting:

The financial statements of CASA have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other assets and liabilities.

Basis of Presentation:

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS 117, 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. CASA has no temporarily restricted net assets or permanently restricted net assets for the years ended June 30, 2018 and 2017.

Concentration of Contributions

For the year ended June 30, 2018 CASA receive approximately 65% of its monetary support from local companies and foundations. This percentage was 49% for the year ended June 30, 2017.

Estimates:

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

Cash and Cash Equivalents:

For purposes of the statement of financial position, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

**COURT APPOINTED SPECIAL ADVOCATES
NOTES TO FINANCIAL STATEMENTS**

Deferred Revenue

As of June 30, 2018, the Organization had received \$26,000 in a grant from a foundation that was actual for use in the following fiscal year.

Expense Allocation:

The costs of providing various programs and other activities have been summarized on the functional basis in the Statement of Activities and the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Fixed Assets and Depreciation:

All acquisitions of property and equipment in excess of \$1,000 and all expenditures for repairs, maintenance, renewals and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation has been computed using the Federal Income Tax depreciation methods, which are not materially different from the straight-line method.

Restricted and Unrestricted Revenue:

Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions. For the years ended June 30, 2018 and 2017, CASA received no temporarily or permanently restricted contributions.

NOTE B - Income Taxes

As stated in Note A, CASA is exempt from taxation on its exempt activities. In accordance with the tax law for organizations such as CASA, there are no activities, which were subject to taxation as "unrelated business taxable income."

NOTE C- Contributed Services

A substantial number of unpaid volunteers have made significant contribution of their time to CASA programs and support (valued at \$30,000). Further, the office space used by the Organization is donated (valued at \$60,000). The value of their contributed services is reflected in these statements, as measured by fair value for similar time or items in the Sonoma County area. For the year ended June 30, 2018 these items were valued at \$90,000 and for the year ended June 30, 2017 they were valued at \$94,700.

**COURT APPOINTED SPECIAL ADVOCATES
NOTES TO FINANCIAL STATEMENTS**

NOTE D- Subsequent Events

Subsequent events were evaluated through September 7, 2016, which is the date the financial statements were available to be issued.