

COURT APPOINTED
SPECIAL ADVOCATES OF
SONOMA COUNTY, INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

JUNE 30, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Court Appointed Special Advocates of Sonoma County, Inc.
Santa Rosa, California

We have audited the accompanying financial statements of Court Appointed Special Advocates of Sonoma County, Inc. (a nonprofit corporation), which comprise the statement of financial position as of June 30, 2020 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 accounting principles generally accepted in the United States of America; 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluation the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluation 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.



Goranson and Associates, Inc.

717 College Avenue, First Floor, Santa Rosa, CA 95404 Phone: 707/542-1256 Fax 707/978-3090

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Court Appointed Special Advocates of Sonoma County, Inc. as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Court Appointed Special Advocates of Sonoma County, Inc.'s financial statements for the year ended June 30, 2019, and they expressed an unmodified audit opinion on those audited financial statements in their report dated October 9, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Goranson and Associates, Inc.

October 19, 2020
Santa Rosa, CA

COURT APPOINTED SPECIAL ADVOCATES OF SONOMA COUNTY, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2020
(With summarized comparative totals for June 30, 2019)

	2020	2019
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,056,404	\$ 832,262
Investments	623,149	618,096
Accounts and grants receivable	-	12,976
Prepaid expenses	1,716	1,500
Total current assets	<u>1,681,269</u>	<u>1,464,834</u>
Fixed assets:		
Furniture and fixtures	64,621	64,621
Equipment	30,455	30,455
Total fixed assets	<u>95,076</u>	<u>95,076</u>
Less accumulated depreciation	<u>(87,565)</u>	<u>(85,248)</u>
Total fixed assets	<u>7,511</u>	<u>9,828</u>
Total assets	<u>\$ 1,688,780</u>	<u>\$ 1,474,662</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 29,499	\$ 92
Total current liabilities	<u>29,499</u>	<u>92</u>
Total liabilities	<u>29,499</u>	<u>92</u>
Net assets:		
Without donor restriction	1,659,281	1,424,570
With donor restriction	-	50,000
Total net assets	<u>1,659,281</u>	<u>1,474,570</u>
Total liabilities and net assets	<u>\$ 1,688,780</u>	<u>\$ 1,474,662</u>

The accompanying notes are an integral part of these financial statements

COURT APPOINTED SPECIAL ADVOCATES OF SONOMA COUNTY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020
(With summarized comparative totals for the year ended June 30, 2019)

	Without Donor Restriction	With Donor Restriction	2020 Total	2019 Total
SUPPORT AND REVENUE:				
Corporate gifts	\$ 71,139		\$ 71,139	\$ 89,541
Gifts from individuals	49,251	-	49,251	79,965
Grants	400,673	-	400,673	411,601
Gifts in kind	89,100	-	89,100	89,100
Special events, net \$3,950 expense	70,175	-	70,175	82,975
Interest and dividend income	6,659	-	6,659	4,371
Net assets released from restriction	50,000	\$ (50,000)	-	-
Total support and revenue	<u>736,997</u>	<u>(50,000)</u>	<u>686,997</u>	<u>757,553</u>
EXPENSES:				
Program services	381,329		381,329	357,565
Administration	100,629		100,629	84,511
Fundraising	20,328		20,328	17,758
Total expenses	<u>502,286</u>		<u>502,286</u>	<u>459,834</u>
CHANGE IN NET ASSETS	234,711	(50,000)	184,711	297,719
NET ASSETS, BEGINNING	<u>1,424,570</u>	<u>50,000</u>	<u>1,474,570</u>	<u>1,176,851</u>
NET ASSETS, ENDING	<u>\$ 1,659,281</u>	<u>\$ -</u>	<u>\$ 1,659,281</u>	<u>\$ 1,474,570</u>

The accompanying notes are an integral part of these financial statements

COURT APPOINTED SPECIAL ADVOCATES OF SONOMA COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020
(With summarized comparative totals for the year ended June 30, 2019)

				2020	2019
	Program	Administration	Fundraising	Total	Total
Personnel	\$ 240,849	\$ 64,226	\$ 16,057	\$ 321,132	\$ 273,869
Trainers	23,100	-	-	23,100	34,100
Contract services	-	16,651	-	16,651	10,956
Depreciation	1,625	542	-	2,167	1,650
Insurance	710	237	-	947	1,500
Rent	49,500	13,200	3,300	66,000	55,000
Conference and meetings	-	809	-	809	348
Volunteer expenses	24,488	-	-	24,488	32,850
Office supplies and repairs	4,646	1,239	310	6,195	7,875
Activity fund	7,055	-	-	7,055	7,732
Dues and fees	3,179	1,060	-	4,238	5,464
Computer costs	4,764	1,270	318	6,352	11,534
Postage and printing	5,157	1,375	344	6,876	6,890
Telephone	9,206	20	-	9,226	7,621
Public relations	7,050	-	-	7,050	2,445
Total expenses	<u>\$ 381,329</u>	<u>\$ 100,629</u>	<u>\$ 20,328</u>	<u>\$ 502,286</u>	<u>\$ 459,834</u>

The accompanying notes are an integral part of these financial statements

COURT APPOINTED SPECIAL ADVOCATES OF SONOMA COUNTY, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020
(With summarized comparative totals for the year ended June 30, 2019)

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 184,711	\$ 297,719
Adjustments to reconcile change in net assets to cash from operations:		
Depreciation expense	2,317	1,800
(Increase) decrease in:		
Accounts and grants receivable	12,976	(12,976)
Prepays	(216)	(630)
Increase (decrease) in:		
Accounts payable	29,407	(4,752)
Deferred revenue	-	(26,000)
Net cash provided (used) by operating activities	<u>229,195</u>	<u>255,161</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(5,053)	(460,382)
Acquisition of property, plant and equipment	<u>-</u>	<u>-</u>
Net cash used by investing activities	<u>(5,053)</u>	<u>(460,382)</u>
NET (DECREASE) INCREASE IN CASH	224,142	(205,221)
CASH, beginning of year	<u>832,262</u>	<u>1,037,483</u>
CASH, end of year	<u>\$ 1,056,404</u>	<u>\$ 832,262</u>

The accompanying notes are an integral part of these financial statements

COURT APPOINTED SPECIAL ADVOCATES OF SONOMA COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 ORGANIZATION

Court Appointed Special Advocates of Sonoma County, Inc. (CASA) was initiated in 1996 in Sonoma County, California. CASA is committed to serving abused and neglected children coming before the Juvenile Court for protection and rehabilitation services.

The purpose of CASA is to humanize the complex child welfare system for the child victim by providing a trained volunteer who will act as a consistent role model, advocate, and potential life connection.

Program Goals:

1. To reduce the trauma of children in the Juvenile Court dependency system by matching a child with a trained CASA volunteer who will offer support through a long-term consistent relationship. The volunteer will explore and recommend resource options available to the child and offer the child guidance in understanding and dealing with the complex, unfamiliar court and child welfare systems.
2. To advocate vigorously for the rights of abused and neglected children in Sonoma County ensuring that all "reasonable efforts" have been made for a child at every stage of the court dependency process.
3. To improve the quality of information presented to the Juvenile Court, on behalf of the child, by informing the court of the child's adjustment and state of mind by gathering relevant information and making appropriate case recommendations documented in a written court report.
4. To develop and implement a sound program management plan with a comprehensive strategy for the recruitment, retention, supervision, and training of a competent volunteer corps that is ethnically, racially, and linguistically representative of the population to be served.

CASA is funded primarily by grants, individual and corporate donations, and special events.

COURT APPOINTED SPECIAL ADVOCATES OF SONOMA COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation – CASA reports information regarding its financial position and activities on an accrual basis according to two classes of net assets: net assets without donor restriction and net assets with donor restriction.

Net assets without donor restriction – Net assets that are not subject to donor-imposed restrictions. These also may be designated for specific purposes by action of the Board of Directors.

Net assets with donor restriction – Net assets that are subject to donor-imposed stipulations that may be fulfilled by actions of CASA's to meet the stipulations or that become net assets without donor restriction at the date specified by the donor.

Net assets Released from Restriction – Net assets with donor restriction are “released” to net assets without donor restriction when the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed.

Other Basis of Presentation Policies – Revenues or support are reported as increases in unrestricted net assets unless subject to donor-imposed restrictions. If temporary restrictions are fulfilled in the same time period the revenue or support is received, CASA reports the revenue or support as unrestricted. Expenses are reported as decreases in net assets without donor restriction. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restriction unless restricted by explicit donor stipulation or by law.

Cash and Cash Equivalents – Cash equivalents consist primarily of money market accounts, certificates of deposits and other investments with an original maturity of ninety days or less.

Concentrations of Credit Risk – CASA maintains cash balances at local financial institutions insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times during the year, the Center held cash and cash equivalent balances in excess of federally insured limits. The amount in excess of the FDIC limit totaled \$733,799 at June 30, 2020.

Investments – The investments of CASA are comprised of Certificates of Deposit (Level 1).

Fair Value Measures – CASA reports its fair value measures by using a fair value hierarchy defined by generally accepted accounting principles (GAAP) that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3).

COURT APPOINTED SPECIAL ADVOCATES OF SONOMA COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Fair Value Measures, continued - The three levels of the fair value hierarchy under GAAP are:

Level 1 – Unadjusted quoted prices in active markets accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Prices for valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (inputs are supported by little or no market activity).

Accounts and Grants Receivable – Accounts and grants receivable consists of billings for services performed which had not yet been received at June 30, 2020. All are believed to be collectible.

Property and Equipment – Property and equipment are capitalized over \$5,000 and carried at cost or at estimated fair market value at date of donation. Depreciation is calculated using the straight-line method over the useful life of the asset, usually five to forty years depending upon the asset. Ongoing repair and maintenance expenses are recognized as current period expense.

Donated Property and Equipment – Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose.

Contributed Services – CASA records contribution revenue for certain services received at the fair value of those services, if the services (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would be purchased if not donated. CASA receives a significant amount of donated services from unpaid volunteers who assist in legal services which have been valued by the Judicial Council and are recorded on the Statement of Activities.

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

Allocation Methodology – Costs that benefit more than one program are allocated on the basis of usage.

COURT APPOINTED SPECIAL ADVOCATES OF SONOMA COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Income Taxes – CASA is exempt from Federal and State Income taxes under Internal Revenue Code Section 501(c)(3) and California Franchise Tax Board Code Section 23701d. Therefore, no provision for income taxes has been made in the accompanying financial statements. In addition, the Internal Revenue Service has determined CASA is not a “private foundation” within the meaning of Section 509(a) of the Internal Revenue Code.

Management of CASA considers the likelihood of changes by taxing authorities in its filed tax returns and recognizes a liability for or discloses potential significant changes if management believes it is more likely than not for a change to occur, including changes to CASA's status as a not-for-profit entity. Management believes CASA met the requirements to maintain its tax-exempt status and has not income subject to unrelated business income tax; therefore, no provision for income taxes has been provided in these financial statements. CASA's tax returns for the past three years are subject to examination by tax authorities and may change upon examination.

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 these estimates.

Reclassifications – Certain financial statement amounts have been reclassified in these financial statements to conform to the current year's presentation format. These reclassifications have no effect on previously recorded net income.

Summarized Financial Information – The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with CASA's financial statements for the year ended June 30, 2019, from which the summarized information was derived.

COURT APPOINTED SPECIAL ADVOCATES OF SONOMA COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 LIQUIDITY

The following reflects CASA's financial assets as of June 30, 2020 that are available for operations:

Financial assets:		
Cash and cash equivalents	\$	1,056,404
Investments		<u>623,149</u>
Total financial assets		1,679,553
Financial assets, at year end		
Less those unavailable for general expenditures within one year due to:		
Restricted by donor (time or purpose)		-
Board designated for operations and IT		(80,000)
Financial assets available to meet cash needs		<u> </u>
for general expenditures within one year	\$	<u>1,599,553</u>

NOTE 4 FAIR VALUE

The follow table presents the assets and liabilities recognized in the accompanying statements of financial position that are measured at fair value on a recurring basis and the level within the fair value hierarchy in which those fair value measurements fall at June 30, 2020:

	<u>Level 1</u>	<u>Total</u>
Certificate of deposits	<u>\$ 623,149</u>	<u>\$ 623,149</u>

Investment income consists of interest income and the total earned for the year ended June 30, 2020 is \$6,659.

COURT APPOINTED SPECIAL ADVOCATES OF SONOMA COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 IN KIND DONATIONS

A substantial number of unpaid volunteers have made significant contribution of their time to CASA programs and support (valued at \$23,100 for the year ended June 30, 2020). Further, the office space used by CASA is donated (valued at \$66,000 for the year ended June 30, 2020). 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, 2020 these items were valued at \$89,100.

NOTE 6 SUBSEQUENT EVENTS

CASA has evaluated subsequent events through October 19, 2020, the date the financial statements were available to be issued. In January 2020, COVID-19 emerged and has subsequently spread worldwide. The World Health Organization has declared COVID-19 a pandemic resulting in federal, state and local governments and private entities mandating various restrictions. This could have a material effect on CASA's operations, financial position, and cash flows.