

**COURT APPOINTED SPECIAL ADVOCATES OF SONOMA COUNTY,  
INC.**

**KENWOOD, CALIFORNIA**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**JUNE 30, 2023**

**Hiep Pham, CPA Inc.**

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Court Appointed Special Advocates of Sonoma County, Inc.  
Kenwood, California

### **Report on the Audit of the Financial Statements**

#### **Opinion**

I have audited the accompanying financial statements of Court Appointed Special Advocates of Sonoma County, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Court Appointed Special Advocates of Sonoma County, Inc. as of June 30, 2023, 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.

#### **Basis for Opinion**

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Court Appointed Special Advocates of Sonoma County, Inc. and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Court Appointed Special Advocates of Sonoma County, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Court Appointed Special Advocates of Sonoma County, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Court Appointed Special Advocates of Sonoma County, Inc.'s ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that I identified during the audit.

#### **Supplementary Information**

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule 1, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the accompanying schedule 1 is fairly stated, in all material respects, in relation to the financial statements as a whole.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, I have also issued my report dated January 5, 2024, on my consideration of Court Appointed Special Advocates of Sonoma County, Inc.'s internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Court Appointed Special Advocates of Sonoma County, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, in considering Court Appointed Special Advocates of Sonoma County, Inc.'s internal control over financial reporting and compliance.

#### **Report on Summarized Comparative Information**

I have previously audited Court Appointed Special Advocates of Sonoma County, Inc.'s 2022 financial statements, and I expressed an unmodified audit opinion on those audited financial statements in my report dated January 10, 2023. In my opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Hiep Pham, CPA Inc.*

Fremont, California  
January 5, 2024

## COURT APPOINTED SPECIAL ADVOCATES OF SONOMA COUNTY, INC.

STATEMENTS OF FINANCIAL POSITION

June 30, 2023

(With Comparative Totals for June 30, 2022)

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 1,385,713	\$ 1,259,936
Investments	637,022	634,495
Accounts receivable	48,837	35,895
Prepaid expenses	<u>-</u>	<u>681</u>
Total current assets	<u>\$ 2,071,572</u>	<u>\$ 1,931,007</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 9,587	\$ 6,628
Total current liabilities	<u>9,587</u>	<u>6,628</u>
Net assets:		
Net assets without donor restrictions	<u>2,061,985</u>	<u>1,924,379</u>
Total net assets	<u>2,061,985</u>	<u>1,924,379</u>
Total liabilities and net assets	<u>\$ 2,071,572</u>	<u>\$ 1,931,007</u>

The accompanying notes are an integral part of these financial statements.

## COURT APPOINTED SPECIAL ADVOCATES OF SONOMA COUNTY, INC.

STATEMENTS OF ACTIVITIES

For the Year Ended June 30, 2023

(With Comparative Totals for the Year Ended June 30, 2022)

	Without Donor Restrictions	
	2023	2022
Revenues:		
Grants	\$ 469,326	\$ 425,420
Donations	113,359	105,160
In-kind contributions	97,200	97,200
Special events, net	31,235	60,697
Investment return, net	4,468	3,142
Total revenues	<u>715,588</u>	<u>691,619</u>
Expenses:		
Program services	<u>539,613</u>	<u>437,864</u>
Support services:		
Administration	35,102	38,621
Fundraising	<u>3,267</u>	<u>9,191</u>
Total supportive services	<u>38,369</u>	<u>47,812</u>
Total expenses	<u>577,982</u>	<u>485,676</u>
Change in net assets	137,606	205,943
Net assets, beginning of period	<u>1,924,379</u>	<u>1,718,436</u>
Net assets, end of period	<u>\$ 2,061,985</u>	<u>\$ 1,924,379</u>

The accompanying notes are an integral part of these financial statements.

COURT APPOINTED SPECIAL ADVOCATES OF SONOMA COUNTY, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2023

(With Comparative Totals for the Year Ended June 30, 2022)

	Support Services				
	Program Services	Admin- istration	Fundraising	Subtotal Support Services	Total 2023
					Total 2022
Expenses:					
Salaries and wages	\$ 334,770	\$ -	\$ -	\$ -	\$ 334,770
Payroll taxes	25,810	-	-	-	25,810
Employee benefits	23,002	-	-	-	23,002
Youth activities fund	-	9,751	-	9,751	9,751
Bank service charges	-	391	-	391	391
Computers and software	9,326	-	-	-	9,326
Conferences and meetings	320	-	-	-	320
Contract services	300	6,828	-	6,828	7,128
Equipment and repair	4,680	-	-	-	4,680
In-kind professional services	25,200	-	-	-	25,200
In-kind rent	72,000	-	-	-	72,000
Insurance	7,128	-	-	-	7,128
Office expenses	-	4,197	3,267	7,464	7,464
Telephone	-	10,703	-	10,703	10,703
Volunteer expenses and training	37,077	-	-	-	37,077
Other expenses	-	3,232	-	3,232	3,232
Total expenses	\$ 539,613	\$ 35,102	\$ 3,267	\$ 38,369	\$ 577,982
					\$ 485,676

The accompanying notes are an integral part of these financial statements.

COURT APPOINTED SPECIAL ADVOCATES OF SONOMA COUNTY, INC.

STATEMENTS OF CASH FLOWS

For the Year Ended June 30, 2023

(With Comparative Totals for the Year Ended June 30, 2022)

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Change in net assets	\$ 137,606	\$ 205,943
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Changes in certain assets and liabilities:		
Accounts receivable	(12,942)	(35,895)
Prepaid expenses	681	32
Accounts payable and accrued expenses	<u>2,959</u>	<u>6,628</u>
Net cash provided (used) by operating activities	<u>128,304</u>	<u>176,708</u>
Cash flows from investing activities:		
Purchase of investments	<u>(2,527)</u>	<u>(1,829)</u>
Net cash provided (used) by investing activities	<u>(2,527)</u>	<u>(1,829)</u>
Net increase (decrease) in cash	125,777	174,879
Cash and cash equivalents, beginning of period	<u>1,259,936</u>	<u>1,085,057</u>
Cash and cash equivalents, end of period	<u><u>\$ 1,385,713</u></u>	<u><u>\$ 1,259,936</u></u>

The accompanying notes are an integral part of these financial statements.



COURT APPOINTED SPECIAL ADVOCATES OF SONOMA COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2023

NOTE 1 - GENERAL

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

The purpose of the Organization 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.

The Organization's program goals are as follows:

- To reduce the trauma of children in the Juvenile Court dependency system by matching a child with a trained 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.
- 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.
- 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.
- 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.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The financial statements and records of the Organization are prepared on the accrual basis of accounting and, therefore, include all support and revenues when earned and all expenses when incurred, regardless of whether the support and revenues or expenses were received or paid as of the end of the period. Grants are recognized as support when earned in accordance with the terms of each grant or agreement.

COURT APPOINTED SPECIAL ADVOCATES OF SONOMA COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation

The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 and the provisions of the American Institute of Certified Public Accountants (AICPA) *Audit and Accounting Guide for Not-for-Profit Organizations*. Under the provisions, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

Net Assets without Donor Restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

Net Assets with Donor Restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

C. Cash and Cash Equivalents

For purposes of reporting the statement of cash flows, cash and cash equivalents include cash on deposit with financial institutions with a maturity of three months or less.

D. Investments

The Organization invests in certificates of deposit. All certificates of deposit are carried at quoted market prices as of the last trading date of the Organization's fiscal year. Gains and losses that result from market fluctuations are recognized in the period such fluctuations occur. Realized gains or losses resulting from sales or maturities are calculated on an adjusted cost basis. Adjusted cost is the estimated fair value of the security at the beginning of the year, or the cost if purchased during the year. Dividend and interest income are accrued when earned. Investment return is presented net of investment fees.

E. Accounts Receivable

Accounts receivable represent amounts earned but not yet collected. The Organization has not accrued an allowance for doubtful accounts as it is the opinion of management that all receivables will be realized. The Organization will accrue an allowance for doubtful accounts when management considers that the receivables cannot be fully collected.

COURT APPOINTED SPECIAL ADVOCATES OF SONOMA COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Fixed Assets

The aggregate cost of assets over \$5,000 is capitalized in the statement of financial position. Fixed assets are stated at cost or at estimated fair market value at date of donation. Depreciation is computed on the straight-line basis of accounting over the estimated useful lives of the assets. Any impaired assets will be written down to their actual value. Ongoing repair and maintenance expenses are recognized as current period expense.

G. Grants

Grants awarded by government agencies or passed through to the Organization from another donor that received funding from the government agencies are generally considered nonreciprocal transactions restricted by the awarding agency for certain purposes. Revenue is recognized when qualified expenditures are incurred and conditions under the grant agreement are met.

H. Donations

Donations represent contributions to the Organization from private organizations and individuals, and are recognized as support when received. Contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the existence or nature of donor restrictions. Restricted contributions are reported as an increase in net assets with donor restrictions. When the restriction is met on a contribution received, the amount is shown as a reclassification from net assets with donor restrictions to net assets without donor restrictions.

I. Revenue Recognition

Revenue is recognized in accordance with authoritative guidance, including *ASU 2018-08, Not-for-Profit Entities (Topic 605)* and *ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606)*.

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. A transfer of funds with a conditional promise to contribute are accounted for as a refundable advance until the conditions have been substantially met. Certain payments received include both elements of contributed income and earned income, and management evaluates such transactions to determine the proper revenue rules to apply and to bifurcate the revenue components. When applicable, revenue earned under a contractual arrangement (an "exchange transaction") is recognized when earned and therefore measured as services are provided in accordance with Topic 606.

COURT APPOINTED SPECIAL ADVOCATES OF SONOMA COUNTY, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Revenue Recognition (concluded)

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized.

J. Donated Goods and Services

In-kind contributions are recognized as follows: Donated goods are recorded at their estimated fair market value on the date of donation. Donated services are recognized as contributions in accordance with FASB ASC 958, *Accounting for Contributions Received and Contributions Made*, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers also provided services that are not recognized as contributions in the financial statements since the recognition criteria under FASB ASC 958 were not met.

K. Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis. Management and general expense include those expenses that are not directly identifiable with any other specific function but provide the overall support and direction of the Organization. The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Payroll related expenses	Time and effort
Contract services	Function and usage
Facilities (rent)	Function and usage
Office expenses	Function and usage

L. Concentration of Credit Risk

Financial instruments that potentially subject the Organization to credit risk consist primarily of cash and cash equivalents and investments.

The Organization maintains cash and cash equivalents with commercial banks and other major financial institutions. Cash equivalents include overnight investments; and money market funds. At times, such amounts might exceed Federal Deposit Insurance Corporation (FDIC) limits. The Organization's investments have been placed with high-quality financial institutions. The Organization monitors these investments and has not experienced credit losses.

COURT APPOINTED SPECIAL ADVOCATES OF SONOMA COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

M. Contingencies

The Organization participates in numerous grants. Disbursement of funds received under these grants requires compliance with terms and conditions specified in the grant agreement and is subject to audit by the grantor agency. Any disallowed costs resulting from such an audit could become a liability of the general fund or other applicable funds.

N. Use of Estimates

The financial statements have been prepared in conformity with U.S. generally accepted accounting principles and, as such, include amounts based on informed estimates and judgments of management with consideration given to materiality. Actual results could differ from those estimates.

O. Risk Management

The Organization is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Organization carries commercial insurance.

P. Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through January 5, 2024, the date the financial statements were available to be issued.

Q. Comparative 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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with Court Appointed Special Advocates of Sonoma County, Inc.'s financial statements for the year ended June 30, 2022, from which the summarized information was derived.

R. Implementation of Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in *Topic 840, Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. The Organization adopted the standards on July 1, 2022. The Organization did not have any leases with terms longer than 12 months for the year ended June 30, 2023.

COURT APPOINTED SPECIAL ADVOCATES OF SONOMA COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2023

NOTE 3 - INCOME TAXES

The Organization is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization is also exempt from California franchise taxes under Section 23701(d) of the Revenue and Taxation Code and, therefore, has made no provision for Federal or California income taxes. Contributors, donors, and grantors may obtain tax benefits. In addition, the Organization has been determined by the Internal Revenue Service not to be a “private foundation” within the meaning of Section 509(a) of the Code.

The Organization adopted the recognition requirements for uncertain income tax positions as required by generally accepted accounting principles, with no cumulative effect adjustment required. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. The Organization has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. The Organization believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Organization’s financial condition, results of operations, or cash flows. Accordingly, the Organization has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at June 30, 2023 and June 30, 2022. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

NOTE 4 - CASH AND CASH EQUIVALENTS

The cash balances as of June 30 are as follows:

	2023	2022
Mechanics Bank	\$ 5,011	\$ 5,010
Redwood Credit Union	125	125
Summit State Bank	308,219	306,991
Wells Fargo Bank	1,072,358	947,810
Total	<u>\$ 1,385,713</u>	<u>\$ 1,259,936</u>

The account balances were insured under the \$250,000 blanket umbrella by the Federal Deposit Insurance Corporation (FDIC). The remaining balances were uninsured and held by the financial institutions in the Organization’s name. It is the opinion of management that the solvency of the financial institutions is not of particular concern at this time.

COURT APPOINTED SPECIAL ADVOCATES OF SONOMA COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2023

NOTE 5 - INVESTMENTS

The investment activity for the year ended June 30 is as follows:

	2023	2022
Account balances, beginning of period	\$ 634,495	\$ 632,666
Interest and dividend income	2,527	1,829
Account balances, end of period	<u>\$ 637,022</u>	<u>\$ 634,495</u>
Certificates of deposit	<u>\$ 637,022</u>	<u>\$ 634,495</u>

NOTE 6 - SUMMARY OF FAIR VALUE EXPOSURE

FASB ASC 820-10 and subsections, *Fair Value Measurements and Disclosures* clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value, and requires additional disclosure about the use of fair value measurements in an effort to make the measurement of fair value more consistent and comparable. The Organization has adopted FASB ASC 820-10 for its financial assets and liabilities measured on a recurring and nonrecurring basis.

FASB ASC 820-10 defines fair value as the amount that would be received from the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants, i.e. an exit price. To estimate an exit price, a three-tier hierarchy is used to prioritize the inputs:

Level 1: Quoted prices in active markets for identical securities.

Level 2: Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment spreads, credit risk, etc.)

Level 3: Significant unobservable inputs (including the Organization's own assumptions in determining the fair value of investments).

The inputs and methodology used for valuing the Organization's financial assets and liabilities are not indicators of the risks associated with those investments.

The following table provides fair value measurement information for financial assets and liabilities measured at fair value on a recurring basis as of June 30:

	2023	2022
Level 1: Quoted prices	\$ 637,022	\$ 634,495
Level 2: Other significant observable inputs	-	-
Level 3: Significant unobservable inputs	-	-
Total	<u>\$ 637,022</u>	<u>\$ 634,495</u>

COURT APPOINTED SPECIAL ADVOCATES OF SONOMA COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2023

NOTE 6 - SUMMARY OF FAIR VALUE EXPOSURE (concluded)

FSP FAS 157-4, which supersedes FSP FAS 157-3, provides further clarification on SFAS 157 in determining an inactive market and a non-distressed transaction. The above investments for June 30 are further classified in accordance with FSP FAS 157-4 as follows:

	Total			
2023	Investment	Level 1	Level 2	Level 3
Certificates of deposit	<u>\$ 637,022</u>	<u>\$ 637,022</u>	<u>\$ -</u>	<u>\$ -</u>

  

2022	Total			
	Investment	Level 1	Level 2	Level 3
Certificates of deposit	<u>\$ 634,495</u>	<u>\$ 634,495</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 7 - ACCRUED VACATION

Accumulated unpaid employee vacation benefits are recognized as liabilities of the Organization. The amount of accumulated vacation was \$8,669 and \$4,842 as of June 30, 2023 and June 30, 2022, respectively.

NOTE 8 - IN-KIND CONTRIBUTIONS - CONTRIBUTED NONFINANCIAL ASSETS

For the year ended June 30, contributed nonfinancial assets recognized within revenue included:

	2023	2022
Professional services	<u>\$ 25,200</u>	<u>\$ 25,200</u>
Facility rent	<u>72,000</u>	<u>72,000</u>
Total	<u>\$ 97,200</u>	<u>\$ 97,200</u>

The Organization received contributed nonfinancial assets within revenue, including contributed professional services and facility rentals. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

**Professional Services**

Contributed professional services recognized comprise outside services such as facilities management, repairs, and janitorial services received by the County of Sonoma which would be normally paid for by the Organization. Contributed services are valued and are reported at the estimated fair value in the financial statements based on current rates for similar services.

**Facility Rent**

The County of Sonoma allows the Organization to use office space on the County's property rent-free. The Organization estimates the fair value based on recent comparable rental prices of the contributed rent and utilities, which is approximately \$2 per square foot. Rent usage was allocated to program services.



## COURT APPOINTED SPECIAL ADVOCATES OF SONOMA COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2023

NOTE 9 - SPECIAL EVENTS, NET

During the year ended June 30, 2023, special events are as follows:

<u>Annual Event</u>	<u>2023</u>	<u>2022</u>
Contributions	\$ 35,195	\$ 62,550
Less expenses	(3,960)	(1,853)
Special events, net	<u>\$ 31,235</u>	<u>\$ 60,697</u>

NOTE 10 - AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of June 30, 2023, reduced by amounts not available for general use within one year of the year-end date because of contractual or donor-imposed restrictions or internal designations. Amounts not available include amounts set aside for long-term investing in the operating and other reserves that could be drawn upon if the governing board approves that action.

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 1,385,713	\$ 1,259,936
Investments	637,022	634,495
Accounts receivable	<u>48,837</u>	<u>35,895</u>
Total financial assets	2,071,572	1,930,326
Donor-imposed restrictions	<u>-</u>	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,071,572</u>	<u>\$ 1,930,326</u>

## COURT APPOINTED SPECIAL ADVOCATES OF SONOMA COUNTY, INC.

Schedule 1CAL OES SUPPLEMENTAL FINANCIAL

For the Year Ended June 30, 2023

CAL OES ID: 097-90013						
Billing Period	Personal Svcs	Operating Expenses	Match (negative)	Payment Amount	Claim Emailed	Payment Received
Jul-22	\$ 9,775.00	\$ 1,206.00	\$ -	\$ 10,981.00	X	X
Aug-22	\$ 9,775.00	\$ 580.00	\$ -	\$ 10,355.00	X	X
Sep-22	\$ 9,775.00	\$ 347.00	\$ -	\$ 10,122.00	X	X
Oct-22	\$ 9,775.00	\$ 936.00	\$ -	\$ 10,711.00	X	X
Nov-22	\$ 9,775.00	\$ 1,298.00	\$ -	\$ 11,073.00	X	X
Dec-22	\$ 9,775.00	\$ 1,609.00	\$ -	\$ 11,384.00	X	X
Jan-23	\$ 9,775.00	\$ 1,842.00	\$ -	\$ 11,617.00	X	X
Feb-23	\$ 9,775.00	\$ 584.00	\$ -	\$ 10,359.00	X	X
Mar-23	\$ 9,775.00	\$ 2,448.00	\$ -	\$ 12,223.00	X	X
Apr-23	\$ 9,775.00	\$ 1,076.00	\$ -	\$ 10,851.00	X	X
May-23	\$ 9,775.00	\$ -	\$ -	\$ 9,775.00	X	X
Jun-23	\$ 9,775.00	\$ -	\$ -	\$ 9,775.00	X	X
Total Paid	\$ 117,300.00	\$ 11,926.00	\$ -	\$ 129,226.00		

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors  
Court Appointed Special Advocates of Sonoma County, Inc.  
Kenwood, California

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Court Appointed Special Advocates of Sonoma County, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated January 5, 2024.

### **Report on Internal Control over Financial Reporting**

In planning and performing my audit of the financial statements, I considered Court Appointed Special Advocates of Sonoma County, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Court Appointed Special Advocates of Sonoma County, Inc.'s internal control. Accordingly, I do not express an opinion on the effectiveness of Court Appointed Special Advocates of Sonoma County, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Court Appointed Special Advocates of Sonoma County, Inc.'s financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Hiep Pham, CPA Inc.*

Fremont, California

January 5, 2024

COURT APPOINTED SPECIAL ADVOCATES OF SONOMA COUNTY, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2023

**Section I - Summary of Auditor's Results**

**Financial statements**

- |   |               |
|---|---------------|
| 1. Type of auditor's report issued:.....  | Unmodified    |
| 2. Internal control over financial reporting:   |               |
| A. Material weaknesses identified?.....   | No            |
| B. Significant deficiency(ies) identified that are not considered to be material weaknesses?..... | None reported |
| C. Noncompliance which is material to the financial statements noted?....                         | No            |

**Section II - Financial Statement Findings.....** None noted

**Section III - Findings and Questioned Costs.....** None noted

COURT APPOINTED SPECIAL ADVOCATES OF SONOMA COUNTY, INC.

STATUS OF PRIOR AUDIT FINDINGS

For the Year Ended June 30, 2023

There were no prior year audit findings.