

**CALIFORNIA COURT APPOINTED  
SPECIAL ADVOCATE ASSOCIATION**

**SAN DIEGO, CALIFORNIA**

**FINANCIAL STATEMENTS**

**JUNE 30, 2021**

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INDEPENDENT AUDITORS' REPORT

Board of Directors  
California Court Appointed Special  
Advocate Association  
San Diego, California

Report on the Financial Statements

We have audited the accompanying financial statements of California Court Appointed Special Advocate Association (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, 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 opinions 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 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 opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of California Court Appointed Special Advocate Association as of June 30, 2021, 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 California Court Appointed Special Advocate Association’s 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 25, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 9, 2021, on our consideration of the California Court Appointed Special Advocate Association’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our 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 California Court Appointed Special Advocate Association’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 California Court Appointed Special Advocate Association’s internal control over financial reporting and compliance.

*R. J. Ricciardi, Inc.*

R. J. Ricciardi, Inc.  
Certified Public Accountants

San Rafael, California  
September 9, 2021

California Court Appointed Special Advocate Association

STATEMENTS OF FINANCIAL POSITION

June 30, 2021

(With Comparative Totals for June 30, 2020)

	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 2,124,915	\$ 1,565,160
Accounts receivable	11,640	17,089
Prepaid expenses and other current assets	<u>11,435</u>	<u>17,061</u>
Total current assets	<u>\$ 2,147,990</u>	<u>\$ 1,599,310</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 102,100	\$ 62,629
Accrued vacation payable	79,629	48,698
Refundable advances	418,623	550,499
Accrued interest payable	1,713	199
PPP loan, current portion	<u>168,280</u>	<u>58,551</u>
Total current liabilities	<u>770,345</u>	<u>720,576</u>
Long-term liabilities:		
PPP loan payable, net of current portion	<u>85,417</u>	<u>58,996</u>
Total long-term liabilities	<u>85,417</u>	<u>58,996</u>
Total liabilities	<u>855,762</u>	<u>779,572</u>
Net assets:		
Net assets without donor restrictions - undesignated	692,228	819,738
Net assets without donor restrictions - Board-designated	<u>600,000</u>	<u>-</u>
Total net assets	<u>1,292,228</u>	<u>819,738</u>
Total liabilities and net assets	<u>\$ 2,147,990</u>	<u>\$ 1,599,310</u>

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

California Court Appointed Special Advocate Association  
STATEMENTS OF ACTIVITIES  
For the Year Ended June 30, 2021  
(With Comparative Totals for the Year Ended June 30, 2020)

	Without Donor Restrictions	
	2021	2020
Revenues:		
Grants and contracts	\$ 1,171,019	\$ 1,136,160
Individual support	792,671	722,756
Corporate support	13,830	35,590
In-kind donations	19,692	17,637
Investment return, net	2,515	11,041
Other income	433	971
Total revenues	2,000,160	1,924,155
Expenses:		
Program services	1,204,682	1,266,781
Supportive services:		
Management and general	113,165	95,012
Fundraising	209,823	220,773
Subtotal supportive services	322,988	315,785
Total expenses	1,527,670	1,582,566
Changes in net assets	472,490	341,589
Net assets, beginning of period	819,738	478,149
Net assets, end of period	\$ 1,292,228	\$ 819,738

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

California Court Appointed Special Advocate Association  
STATEMENTS OF FUNCTIONAL EXPENSES  
For the Year Ended June 30, 2021  
(With Comparative Totals for the Year Ended June 30, 2020)

Program Services	Supportive Services			Total 2021	Total 2020
	Management and General	Fundraising	Subtotal		
Expenses:					
Personnel expense					
Salaries	\$ 639,809	\$ 84,759	\$ 156,821	\$ 241,580	\$ 881,389
Payroll taxes	47,998	6,355	11,932	18,287	66,285
Employee benefits	87,612	11,600	21,778	33,378	120,990
Professional fees	116,785	1,646	2,751	4,397	121,182
Marketing and outreach	175,776	-	-	-	175,776
Technology for local programs	26,246	-	-	-	26,246
Grants to local programs	33,597	-	-	-	33,597
Program supplies/other	10,307	-	-	-	10,307
Fundraising fees and software	6,116	810	1,520	2,330	8,446
Travel and meetings	159	18	34	52	211
Workshops and convenings	-	-	-	-	29,803
Conference and events	-	-	-	-	5,221
Occupancy	4,500	596	1,118	1,714	6,214
Insurance	4,545	601	1,130	1,731	6,276
Telephone	6,734	892	1,674	2,566	9,300
Office technology	3,987	528	991	1,519	5,506
Equipment and repairs	3,285	434	818	1,252	4,537
Postage, printing and supplies	14,752	1,953	3,668	5,621	20,373
Dues and subscriptions	6,152	814	1,530	2,344	8,496
Interest expense	1,096	144	273	417	1,513
Other	15,226	2,015	3,785	5,800	21,026
<b>Total expenses</b>	<b>\$ 1,204,682</b>	<b>\$ 113,165</b>	<b>\$ 209,823</b>	<b>\$ 322,988</b>	<b>\$ 1,527,670</b>
				<b>\$ 1,582,566</b>	

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

California Court Appointed Special Advocate Association  
STATEMENTS OF CASH FLOWS  
For the Year Ended June 30, 2021  
(With Comparative Totals for the Year Ended June 30, 2020)

	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 472,490	\$ 341,589
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Changes in certain assets and liabilities:		
Accounts receivable	5,449	46,068
Prepaid expenses and other current assets	5,626	(1,064)
Accounts payable	39,471	(38)
Accrued vacation payable	30,931	16,542
Refundable advances	(131,876)	(27,741)
Accrued interest payable	1,514	199
Net cash provided (used) by operating activities	423,605	375,555
Cash flows from financing activities:		
Proceeds from PPP loan payable	136,150	117,547
Net cash provided (used) by financing activities	136,150	117,547
Net increase (decrease) in cash during the period	559,755	493,102
Cash and cash equivalents, beginning of period	1,565,160	1,072,058
Cash and cash equivalents, end of period	\$ 2,124,915	\$ 1,565,160

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

California Court Appointed Special Advocate Association

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 1 - GENERAL

California Court Appointed Special Advocate Association (California CASA) is a nonprofit corporation whose mission is to ensure children in the foster care system have both a voice and the services they need for a stable future. California CASA meets this goal by working on a statewide level actively supporting the network of 44 local CASA programs in 51 counties. California CASA strengthens the scope, quality, and impact of the CASA network by aiding individual programs in their efforts to provide quality advocacy services to all abused and neglected children in the juvenile courts through the use of trained volunteers. California CASA does this by providing local CASA programs with training, technical assistance, curriculum, marketing, and other resources; helping expand existing CASA programs in the state; identifying and pursuing valuable alliances that leverage and/or increase children's resources statewide; expanding public awareness about the needs of children in the state foster care system; advocating for improved child welfare practices and policies; and promoting CASA as an effective, cost-efficient, and compassionate model to ensure children's rights are protected, their voices are heard, and their health and emotional needs are supported. California CASA also provides other resources to the CASA network including access to funds as a result of California CASA's advocacy on behalf of the local programs.

The California Court Appointed Special Advocate Association is funded by a mix of public and private grants and contributions.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The financial statements and records of California CASA 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 a period. Grants are recognized as support when earned, in accordance with the terms of each grant or agreement.

B. Basis of Presentation

On August 18, 2016, Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment returns. 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*.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

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 California CASA 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 California CASA. California CASA'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 California CASA 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 the purposes of the statement of cash flows, cash and cash equivalents include all cash accounts that are not subject to withdrawal restrictions or penalties and all highly liquid investments purchased with a maturity of three months or less.

D. Allowances for Uncollectible Receivables

California CASA has not accrued a loss for allowances for uncollectible receivables since it is the opinion of management that it is highly probable that all receivables will be collected.

E. Fixed Assets and Intangible Assets

California CASA records purchased property and equipment over \$3,000 at cost and records donated fixed assets at fair market value on the date received.

F. Contributions

Contributions to California CASA from private organizations and individuals are recognized as support when received. Donated marketable securities are recorded as contributions at their estimated fair market value on the date of donation.

G. Allocation of Expenses

Directly identifiable expenses are charged to program services. Expenses related to more than one function area are charged on the basis of total salaries attributable to each area: Program Services, Management and General, and Fundraising. The allocation was based on functional timesheets for direct support of programs. In some cases, adjustments to the program expenses were made given the time several key staff members spent planning on how to better support local programs and increase the number of children served by the local affiliates. Management and General expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of California CASA.

California Court Appointed Special Advocate Association  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2021

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (continued)

H. 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.

I. Risk Management

California CASA carries commercial insurance to cover its exposure to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters.

J. Contingencies

Grant support is subject to audit by the grantor. In the event a grantor audit should result in costs being disallowed, California CASA would be obligated to reimburse the grantor for disallowed costs. Any such disallowance would be paid from the general fund.

K. Donated Services and In-kind

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 non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by California CASA.

Values assigned to in-kind contributions and the related expenses are based on federal guidelines. In accordance with those guidelines, values are based upon estimated area-wide averages for purchased services or supplies of a similar type. In-kind contributions and expenses are recorded when used in the program and are not carried forward.

L. Subsequent Events

In preparing these financial statements, California CASA has evaluated events and transactions for potential recognition or disclosure through September 9, 2021, the date the financial statements were available to be issued.

The following events and transactions occurred subsequent to June 30, 2021:

On July 21, 2021, the PPP loan and interest payable in the amount of \$119,016 was forgiven in accordance with the requirements of the Paycheck Protection Program referenced in Note 8.

M. Comparative 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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with California Court Appointed Special Advocate Association's financial statements for the year ended June 30, 2020, from which the summarized information was derived.

California Court Appointed Special Advocate Association  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2021

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (concluded)

N. Implementation of Accounting Pronouncements

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which requires organizations to recognize revenue when control of the promised goods or services is transferred to customers at an amount that reflects the consideration to which the organization expects to be entitled to in exchange for those goods and services. California CASA adopted the standards on July 1, 2020. The adoption of this standard did not materially affect changes in net assets, financial position, or cash flows.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The new guidance applies to all organizations that receive or make contributions. The ASU includes specific criteria to consider when determining whether a contract or agreement should be accounted for as a contribution or as an exchange transaction. ASU 2018-08 also provides a framework to determine whether a contribution is conditional or unconditional, which may impact the timing of revenue recognition. Under the new guidance, if a transaction is considered an exchange transaction, it is accounted for under the applicable revenue recognition standards. California CASA adopted the standards on July 1, 2020. The adoption of this standard did not materially affect changes in net assets, financial position, or cash flows.

O. 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. California CASA is currently evaluating the impact of the pending adoption of the new standard on the financial statements.

NOTE 3 - INCOME TAXES

California CASA is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. California CASA is also exempt from California franchise taxes and, therefore, has made no provision for Federal or California income taxes. In addition, California CASA has been determined by the Internal Revenue Service not to be a “private foundation” within the meaning of Section 501(a) of the Code.

California Court Appointed Special Advocate Association

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 3 - INCOME TAXES (concluded)

California CASA 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. California CASA has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. California CASA 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 California CASA's financial condition, results of operations or cash flows. Accordingly, California CASA has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at June 30, 2021. California CASA 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

Cash balances at June 30, 2021 and 2020 were as follows:

	<u>2021</u>	<u>2020</u>
First Bank	\$ 1,785,916	\$ 1,295,863
Pacific Premier Bank	337,986	269,297
PayPal	358	-
SafeSave	<u>655</u>	<u>-</u>
Total	<u>\$ 2,124,915</u>	<u>\$ 1,565,160</u>

The bank balances were insured under the \$250,000 blanket umbrella by the Federal Deposit Insurance Corporation (FDIC). The majority of funds held at First Bank are held in an Insured Cash Sweep (ICS) account. Deposits in this ICS account are sent to deposit accounts at other ICS Network Banks in amounts up to \$250,000 therefore ensuring the entire ICS account balance is fully FDIC insured. It is the opinion of management that the solvency of the financial institutions is not of concern at this time.

NOTE 5 - ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2021 and 2020 was as follows:

	<u>2021</u>	<u>2020</u>
California Governor's Office of Emergency Services	\$ 5,758	\$ -
Judicial Council of California	<u>5,882</u>	<u>17,089</u>
Total	<u>\$ 11,640</u>	<u>\$ 17,089</u>

NOTE 6 - ACCRUED VACATION PAYABLE

Accumulated unpaid employee vacation benefits are recognized as liabilities of California CASA. The accumulated vacation payable was \$79,629 and \$48,698 for the years ended June 30, 2021 and 2020, respectively.

California Court Appointed Special Advocate Association  
NOTES TO FINANCIAL STATEMENTS  
 June 30, 2021

NOTE 7 - REFUNDABLE ADVANCES

Refundable advances represent grants received from donors that have not been recognized as revenue because the conditions of the grant have not yet been met. Refundable advances as of June 30, 2021 and 2020 were available for the following grants:

	2021	2020
Silicon Valley Community Foundation	\$ 377,356	\$ 398,129
Kaiser Permanente, Northern California Community Benefit Programs	-	75,000
Ralph M. Parsons Foundation	7,037	-
van Löben Sels/RembeRock Foundation	30,000	48,870
Walter S. Johnson Foundation	-	3,500
The Zellerbach Family Foundation	-	25,000
Other	4,230	-
Total	\$ 418,623	\$ 550,499

NOTE 8 - PAYCHECK PROTECTION PROGRAM LOAN PAYABLE

**1st Round of PPP Loan**

In April 2020, California CASA obtained an SBA Paycheck Protection Program (PPP) loan through First Bank in the amount of \$117,547 to finance operations during the Coronavirus Pandemic referenced in Note 13. The PPP loan bears an interest rate of 1% and is payable in monthly installments of \$6,583 beginning in October 2020 through March 2022. However, on July 15, 2021 the PPP loan and accrued interest payable were forgiven in accordance with the requirements of the Paycheck Protection Program, including the provisions of Section 1106 of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) (P.L. 116-136), as interpreted and clarified by Interim Final Rule published at 13 CFR Part 120 and by any other relevant regulation promulgated or guidance issued by the U.S. Small Business Administration (SBA) or U.S. Treasury.

**2nd Round of PPP Loan**

In April 2021, California CASA obtained another SBA Paycheck Protection Program (PPP) loan through First Bank in the amount of \$136,150 to finance operations during the Coronavirus Pandemic referenced in Note 13. The PPP loan bears an interest rate of 1% and is payable in monthly installments of \$5,733 beginning in October 2021 through September 2023. However, the PPP loan can be forgiven in accordance with the requirements of the Paycheck Protection Program, including the provisions of Section 1106 of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) (P.L. 116-136), as interpreted and clarified by Interim Final Rule published at 13 CFR Part 120 and by any other relevant regulation promulgated or guidance issued by the U.S. Small Business Administration (SBA) or U.S. Treasury. There is no guarantee that California CASA will receive forgiveness of any portion of the Loan. Forgiveness is conditioned on SBA Approval and SBA reimbursement to the Lender.

California Court Appointed Special Advocate Association  
NOTES TO FINANCIAL STATEMENTS  
 June 30, 2021

NOTE 8 - PAYCHECK PROTECTION PROGRAM LOAN PAYABLE (concluded)

**Loan Forgiveness:** California CASA may apply to the SBA through First Bank for forgiveness within 10 months of the completion of the covered 8- to 24-week period. The forgiveness amount will be equal to the sum of the following costs paid by California CASA during this 8- to 24-week period, beginning on the date of first disbursement of this loan:

- a. Payroll costs (Not more than 40% of the amount forgiven can be attributable to non-payroll costs.)
- b. Any payment of interest on a covered mortgage obligation (which shall not include any prepayment of or payment of principal on a covered mortgage obligation.)
- c. Any payment on a covered rent obligation
- d. Any covered utility payment

Contingent payments for the PPP loan payable are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2022 (current portion)	\$ 168,280 *	\$ 864
2023	68,247	549
2024	<u>17,170</u>	<u>30</u>
Total	<u>\$ 253,697</u>	<u>\$ 1,443</u>

Total accrued interest on the PPP loan payable was \$1,713 and \$199 for the fiscal years ended June 30, 2021 and 2020, respectively.

\*On July 15, 2021, the first round PPP loan of \$117,547 plus accrued interest of \$1,469 were forgiven in accordance with the requirements of the Paycheck Protection Program.

NOTE 9 - NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions as of June 30 were as follows:

	<u>2021</u>	<u>2020</u>
Net assets without donor restrictions - undesignated	\$ 692,228	\$ 819,738
Net assets without donor restrictions – Board-designated	<u>600,000</u>	<u>-</u>
Total	<u>\$ 1,292,228</u>	<u>\$ 819,738</u>

Net assets without donor restrictions were designated by the Board for a Reserve Fund.

NOTE 10 - IN-KIND DONATIONS

In-kind donations for the years ended June 30, 2021 and 2020 were as follows:

	<u>2021</u>	<u>2020</u>
Board meeting and conference expenses	\$ -	\$ 3,418
Professional services	10,692	14,219
Rent	1,500	-
Supplies	<u>7,500</u>	<u>-</u>
Total	<u>\$ 19,692</u>	<u>\$ 17,637</u>

California Court Appointed Special Advocate Association  
NOTES TO FINANCIAL STATEMENTS  
 June 30, 2021

NOTE 11 - RETIREMENT PLAN

California CASA adopted a retirement plan on January 1, 2018 as established under Internal Revenue Code Section 403(b) (the Plan). All employees are eligible to participate in the Plan upon hire date. California CASA may make non-elective contributions to the employee's retirement account. The non-elective contributions will be determined by the Plan Administrator each year at their sole discretion. For the years ended June 30, 2021 and 2020, California CASA has made contributions to the plan in the amounts of \$29,856 and \$0, respectively.

NOTE 12 - AVAILABILITY OF FINANCIAL ASSETS

The following reflects California CASA's financial assets as of June 30, 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.

	2021	2020
Cash and cash equivalents	\$ 2,124,915	\$ 1,565,160
Accounts receivable	11,640	17,089
Total financial assets	2,136,555	1,582,249
Refundable advances	(418,623)	(550,499)
Board-designation	(600,000)	-
Financial assets available to meet cash needs for general expenditures within one year	\$ 1,117,932	\$ 1,031,750

NOTE 13 - CORONAVIRUS PANDEMIC

As a result of the COVID-19 pandemic, California declared a state of emergency and issued shelter-in-place orders in response to the outbreak. The immediate impact to California CASA's operations included restrictions on employees' and volunteers' ability to work, and it is anticipated that the impacts from this pandemic will continue for some time. As of the report date, the financial impact of the coronavirus outbreak cannot be measured. California CASA believes it has sufficient liquidity that, along with its PPP Loans, will enable it to meet operational costs in the short term. However, the situation's uncertainty means that an estimate of the full financial impact cannot be made at this time.

NOTE 14 - RECLASSIFICATIONS

Certain amounts in the June 30, 2020 financial statements have been reclassified to conform to the June 30, 2021 presentation, specifically the expense categories in the Statement of Functional Expenses. These reclassifications have no effect on the change in net assets as previously reported.

INDEPENDENT AUDITORS' 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  
California Court Appointed Special  
Advocate Association  
San Diego, California

We 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 California Court Appointed Special Advocate Association (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, 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 our report thereon dated September 9, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered California Court Appointed Special Advocate Association's internal control over financial reporting (internal control) as a basis for determining audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of California Court Appointed Special Advocate Association's internal control. Accordingly, we do not express an opinion on the effectiveness of California Court Appointed Special Advocate Association'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the organization's financial statements will not be prevented, or detected and corrected on a timely basis.

Our 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether California Court Appointed Special Advocate Association's financial statements are free from material misstatement, we 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 our audit, and accordingly, we do not express such an opinion. The results of our 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 our 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.

*R.J. Ricciardi, Inc.*

R.J. Ricciardi, Inc.  
Certified Public Accountants

San Rafael, California  
September 9, 2021