



CASA

Court Appointed Special Advocates
FOR CHILDREN

CALIFORNIA

FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022



Leaf & Cole, LLP
*Certified Public Accountants
A Partnership of Professional Corporations*

**CALIFORNIA COURT APPOINTED SPECIAL ADVOCATE ASSOCIATION
FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

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Independent Auditor's Report

To the Board of Directors
California Court Appointed Special Advocate Association

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of California Court Appointed Special Advocate Association (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of California Court Appointed Special Advocate Association as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of California Court Appointed Special Advocate Association, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 California Court Appointed Special Advocate Association'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

Our 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 our 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*, we:

- 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 California Court Appointed Special Advocate Association'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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about California Court Appointed Special Advocate Association's ability to continue as a going concern for a reasonable period of time.

We are 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 we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2023 on our consideration of 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, and grant agreements and other matters. The purpose of that report is solely 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.

Leaf & Cole LLP

San Diego, California
November 3, 2023

**CALIFORNIA COURT APPOINTED SPECIAL ADVOCATE ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022**

ASSETS

	<u>2023</u>	<u>2022</u>
<u>Current Assets:</u> (Notes 2 and 4)		
Cash and cash equivalents	\$ 9,619,569	\$ 2,229,060
Accounts receivable	102,945	125,613
Pledges receivable	260,000	250,000
Prepaid expenses	46,656	13,047
Total Current Assets	<u>10,029,170</u>	<u>2,617,720</u>
<u>Noncurrent Assets:</u> (Note 4)		
Pledges receivable, net	<u>236,015</u>	<u>465,335</u>
Total Noncurrent Assets	<u>236,015</u>	<u>465,335</u>
TOTAL ASSETS	<u><u>\$ 10,265,185</u></u>	<u><u>\$ 3,083,055</u></u>

LIABILITIES AND NET ASSETS

<u>Current Liabilities:</u> (Notes 2 and 7)		
Accounts payable and accrued expenses	\$ 96,515	\$ 48,829
Accrued payroll and related liabilities	228,145	184,434
Deferred revenue	7,215,140	-
Total Current Liabilities	<u>7,539,800</u>	<u>233,263</u>
Total Liabilities	<u>7,539,800</u>	<u>233,263</u>
<u>Commitment:</u> (Note 7)		
<u>Net Assets:</u> (Notes 2, 5 and 6)		
Without Donor Restrictions:		
Undesignated	1,199,622	989,340
Board designated operating reserve	848,977	836,255
Total Net Assets Without Donor Restrictions	<u>2,048,599</u>	<u>1,825,595</u>
With Donor Restrictions	676,786	1,024,197
Total Net Assets	<u>2,725,385</u>	<u>2,849,792</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 10,265,185</u></u>	<u><u>\$ 3,083,055</u></u>

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

**CALIFORNIA COURT APPOINTED SPECIAL ADVOCATE ASSOCIATION
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:						
Government grants	\$ 13,186,673	\$ -	\$ 13,186,673	\$ 471,549	\$ -	\$ 471,549
Contributions	573,461	48,181	621,642	655,926	1,242,691	1,898,617
Grants	330,500	-	330,500	782,680	-	782,680
Investment income	300,068	-	300,068	3,276	-	3,276
Other revenue	3,128	-	3,128	1,139	-	1,139
In-kind contributions	1,101	-	1,101	15,596	-	15,596
Special event	-	-	-	22,916	-	22,916
Net assets released from restrictions	395,592	(395,592)	-	218,494	(218,494)	-
Total Revenue and Support	<u>14,790,523</u>	<u>(347,411)</u>	<u>14,443,112</u>	<u>2,171,576</u>	<u>1,024,197</u>	<u>3,195,773</u>
Expenses:						
Program Services	13,742,367	-	13,742,367	1,149,867	-	1,149,867
Total Program Services	<u>13,742,367</u>	<u>-</u>	<u>13,742,367</u>	<u>1,149,867</u>	<u>-</u>	<u>1,149,867</u>
Supporting Services:						
General and administrative	472,745	-	472,745	208,067	-	208,067
Fundraising	352,407	-	352,407	280,275	-	280,275
Total Supporting Services	<u>825,152</u>	<u>-</u>	<u>825,152</u>	<u>488,342</u>	<u>-</u>	<u>488,342</u>
Total Expenses	<u>14,567,519</u>	<u>-</u>	<u>14,567,519</u>	<u>1,638,209</u>	<u>-</u>	<u>1,638,209</u>
Change in Net Assets	223,004	(347,411)	(124,407)	533,367	1,024,197	1,557,564
Net Assets at Beginning of Year	<u>1,825,595</u>	<u>1,024,197</u>	<u>2,849,792</u>	<u>1,292,228</u>	<u>-</u>	<u>1,292,228</u>
NET ASSETS AT END OF YEAR	<u>\$ 2,048,599</u>	<u>\$ 676,786</u>	<u>\$ 2,725,385</u>	<u>\$ 1,825,595</u>	<u>\$ 1,024,197</u>	<u>\$ 2,849,792</u>

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

**CALIFORNIA COURT APPOINTED SPECIAL ADVOCATE ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023**

	Supporting Services			Total Supporting Services	Total Expenses
	Program Services	General and Administrative	Fundraising		
<u>Salaries and Related Expenses:</u>					
Salaries and wages	\$ 946,462	\$ 327,557	\$ 212,520	\$ 540,077	\$ 1,486,539
Employee benefits	76,769	26,569	17,238	43,807	120,576
Payroll taxes	68,133	23,580	15,298	38,878	107,011
Total Salaries and Related Expenses	1,091,364	377,706	245,056	622,762	1,714,126
<u>Nonsalary Related Expenses:</u>					
Conference and events	4,771	1,526	799	2,325	7,096
Dues and subscriptions	6,318	2,186	1,419	3,605	9,923
Equipment and repairs	10,370	3,589	2,328	5,917	16,287
Fundraising fees and software	1,748	605	1,471	2,076	3,824
Grants to local programs	12,034,277	-	-	-	12,034,277
In-kind expenses	1,101	-	-	-	1,101
Insurance	14,707	3,716	2,411	6,127	20,834
Marketing and outreach	124,320	-	-	-	124,320
Occupancy	1,846	639	414	1,053	2,899
Office technology	9,802	3,392	7,162	10,554	20,356
Other	14,107	2,261	1,217	3,478	17,585
Postage, printing and supplies	10,161	3,517	2,282	5,799	15,960
Professional services	273,362	60,333	82,584	142,917	416,279
Technology for local programs	38,965	-	-	-	38,965
Telephone	11,113	3,846	2,495	6,341	17,454
Travel and meetings	22,438	9,429	2,769	12,198	34,636
Workshops and convenings	71,597	-	-	-	71,597
Total Nonsalary Related Expenses	12,651,003	95,039	107,351	202,390	12,853,393
Total Expenses	\$ 13,742,367	\$ 472,745	\$ 352,407	\$ 825,152	\$ 14,567,519

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

**CALIFORNIA COURT APPOINTED SPECIAL ADVOCATE ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022**

	Supporting Services				Total Expenses
	Program Services	General and Administrative	Fundraising	Total Supporting Services	
<u>Salaries and Related Expenses:</u>					
Salaries and wages	\$ 662,653	\$ 138,719	\$ 185,078	\$ 323,797	\$ 986,450
Employee benefits	63,955	13,389	17,862	31,251	95,206
Payroll taxes	47,994	10,047	13,405	23,452	71,446
Total Salaries and Related Expenses	774,602	162,155	216,345	378,500	1,153,102
<u>Nonsalary Related Expenses:</u>					
Conference and events	1,160	-	-	-	1,160
Dues and subscriptions	3,329	697	930	1,627	4,956
Equipment and repairs	1,129	238	316	554	1,683
Fundraising fees and software	7,031	1,472	4,638	6,110	13,141
Grants to local programs	47,500	-	-	-	47,500
In-kind expenses	10,477	2,193	2,926	5,119	15,596
Insurance	8,509	951	1,270	2,221	10,730
Interest expense	551	115	154	269	820
Marketing and outreach	52,854	-	-	-	52,854
Occupancy	899	188	251	439	1,338
Office technology	5,547	1,161	1,549	2,710	8,257
Other	15,994	879	1,171	2,050	18,044
Postage, printing and supplies	9,545	1,998	2,666	4,664	14,209
Professional services	163,220	34,168	45,587	79,755	242,975
Technology for local programs	25,520	-	-	-	25,520
Telephone	7,450	1,559	2,081	3,640	11,090
Travel and meetings	13,384	293	391	684	14,068
Workshops and convenings	1,166	-	-	-	1,166
Total Nonsalary Related Expenses	375,265	45,912	63,930	109,842	485,107
Total Expenses	\$ 1,149,867	\$ 208,067	\$ 280,275	\$ 488,342	\$ 1,638,209

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

**CALIFORNIA COURT APPOINTED SPECIAL ADVOCATE ASSOCIATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS JUNE 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<u>Cash Flows From Operating Activities:</u>		
Change in net assets	\$ (124,407)	\$ 1,557,564
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
(Increase) Decrease in:		
Accounts receivable	22,668	(113,973)
Pledges receivable, net	219,320	(715,335)
Prepaid expenses	(33,609)	(1,612)
Increase (Decrease) in:		
Accounts payable and accrued expenses	47,686	24,426
Accrued payroll and related liabilities	43,711	27,108
Deferred revenue	7,215,140	(674,033)
Net Cash Provided by Operating Activities	<u>7,390,509</u>	<u>104,145</u>
Net Increase in Cash and Cash Equivalents	7,390,509	104,145
Cash and Cash Equivalents at Beginning of Year	<u>2,229,060</u>	<u>2,124,915</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 9,619,569</u></u>	<u><u>\$ 2,229,060</u></u>

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

**CALIFORNIA COURT APPOINTED SPECIAL ADVOCATE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

Note 1 - Organization:

The California Court Appointed Special Advocate Association (California CASA) is a private, nonprofit corporation supported by a balanced mix of public and private grants and philanthropic contributions. California CASA works on a statewide level to actively support a network of 44 local CASA programs in 52 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 abused and neglected children and youth in the juvenile courts, using trained CASA volunteers. We provide local CASA programs with professional-level training, technical assistance, curriculum, marketing, fundraising, and other resources; helping local programs expand their services to more children; identifying and pursuing strategic alliances that leverage and increase children's resources statewide; expanding public awareness about the needs of children and youth in California's foster care and juvenile justice systems; advocating for improved child welfare practices and policies; and promoting CASA as an effective, cost-efficient, and compassionate model to ensure that children's best interests are met, their voices are heard, and their health and emotional needs are supported.

On June 30, 2022, Governor Gavin Newsom signed into law AB 178 (Ting, 2022) providing \$60,000,000 to California CASA over three years (\$20,000,000 a year). Of the total appropriation, \$48,000,000 will provide funding to the state's local CASA programs to expand capacity, recruitment, and training and to stabilize local budgets and staffing. The remaining \$12,000,000 will be allocated to California CASA to be used statewide for volunteer recruitment initiatives, shared resources and enhanced infrastructure for the network, development of statewide training curricula, and collection of data on program implementation and outcomes to support reports to the Legislature and other uses to expand CASA services in the state.

Mission and Vision

Vision: Every child in the California child welfare and juvenile justice systems who needs advocacy will have the transformative support of a CASA volunteer.

Mission: The mission of California CASA is to ensure that children and youth in the child welfare and juvenile justice systems have both a voice and the services they need to thrive. We achieve this by strengthening and empowering California's network of local CASA programs and advocating for effective child welfare policies and practices.

Note 2 - Significant Accounting Policies:

Accounting Method

The financial statements of California CASA have been prepared on the accrual basis of accounting which is in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), and, accordingly, reflect all significant receivables, payables, and other liabilities.

CALIFORNIA COURT APPOINTED SPECIAL ADVOCATE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

Note 2 - Significant Accounting Policies: (Continued)

Financial Statement Presentation

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

- Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, a board-designated operating reserve.
- Net Assets With Donor Restrictions - Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires—that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value Measurements

Fair value accounting standards define fair value, establish a framework for measuring fair value, outline a fair value hierarchy based on inputs used to measure fair value and enhance disclosure requirements for fair value measurements. The fair value hierarchy distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Level 1 or 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy). California CASA had no financial instruments at June 30, 2023 and 2022.

Allowance for Doubtful Accounts

Bad debts are recognized on the allowance method based on historical experience and management's evaluation of outstanding receivables. Management believes that all accounts receivable were fully collectible; therefore, no allowance for doubtful accounts receivable was recorded at June 30, 2023 and 2022, respectively.

**CALIFORNIA COURT APPOINTED SPECIAL ADVOCATE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

Note 2 - Significant Accounting Policies: (Continued)

Capitalization and Depreciation

California CASA capitalizes all expenditures in excess of \$3,000 for property and equipment at cost, while donations of property and equipment are recorded at their estimated fair values. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as support with donor restrictions. Absent donor stipulations regarding how those donated assets must be maintained, California CASA reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. California CASA reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. California CASA had no capitalized property and equipment at June 30, 2023 and 2022.

Maintenance and repairs are charged to operations as incurred. Upon sale or disposition of property or equipment, the asset account is reduced by the cost and the accumulated depreciation account is reduced by the depreciation taken prior to the sale. Any resultant gain or loss is then recorded as income or expense.

Compensated Absences

Accumulated unpaid vacation totaling \$125,060 and \$84,302 at June 30, 2023 and 2022, respectively, is accrued when incurred and included in accrued payroll and related liabilities.

Revenue Recognition

Government Grants

Revenue from government grants are recognized in the period in which the related work is performed in accordance with the terms of the agreement. Deferred revenue is recorded when cash received under an agreement exceeds the revenue earned. Accounts receivable is recorded when revenue earned under a grant and contract exceeds the cash received and totaled \$53,546 and \$84,369 at June 30, 2023 and 2022, respectively. Deferred revenue totaled \$7,215,140 and \$0 at June 30, 2023 and 2022, respectively. Revenue earned from government grants related to the state appropriation totaling \$11,999,277 represent amounts passed through to the local CASA programs.

California CASA receives its grant support through direct and subgrantee awards from various public agencies. California CASA receives advances or is reimbursed for direct costs incurred in the conduct of providing program services. Costs incurred by California CASA and reimbursed by agencies of the United States Government are subject to audit by such agencies. Management believes the results of such audits will not have a material adverse effect on the financial position or results of operations of California CASA.

CALIFORNIA COURT APPOINTED SPECIAL ADVOCATE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

Note 2 - Significant Accounting Policies: (Continued)

Revenue Recognition (Continued)

Contributions

Contributions are recognized when the donor makes a promise in writing to give to California CASA that is in substance, unconditional. Conditional promises to give are not recognized until they become unconditional—that is, when the conditions on which they depend are substantially met. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When the stipulated time restriction ends or purpose restriction is accomplished, donor-restricted net assets are reclassified to net assets without donor restrictions. Contributions to be received in future periods are discounted at an appropriate discount rate. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

Grants

Grants are recognized when the grantor makes a promise in writing to give to California CASA that is in substance, unconditional. Conditional promises to give are not recognized until they become unconditional—that is, when the conditions on which they depend are substantially met. Grants that are restricted by the grantor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the grants are recognized. All other grantor-restricted grants are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When the stipulated time restriction ends or purpose restriction is accomplished, donor-restricted net assets are reclassified to net assets without donor restrictions. Grants to be received in future periods are discounted at an appropriate discount rate. Amortization of discounts is recorded as additional grant revenue in accordance with donor-imposed restrictions, if any, on the grants.

Events

Revenue from events are recognized as performance obligations are satisfied, and any non-refundable portion of the contract is recorded as revenue upon receipt.

Donated Services and Support

California CASA utilizes the services of volunteers throughout the year. This contribution of services by the volunteers is not recognized in the financial statements, unless the services received (a) create or enhance nonfinancial assets, or (b) require specialized skills which are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. California CASA received in-kind professional legal, recruiting and accounting services totaling \$1,101 and \$7,350 for the years ended June 30, 2023 and 2022, respectively, and have been included in in-kind contributions and expense. California CASA received contributions of donated goods totaling \$-0- and \$8,246 for the years ended June 30, 2023 and 2022, respectively, and the amount has been included in in-kind contributions and expense.

**CALIFORNIA COURT APPOINTED SPECIAL ADVOCATE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

Note 2 - Significant Accounting Policies: (Continued)

Revenue Recognition (Continued)

Donated Services and Support

The following table summarizes donated services and goods measured at fair value received for the years ended June 30:

2023				
Items Donated	Revenue Recognized	Utilization in Programs/Activities	Donor Restrictions	Valuation Techniques and Inputs
Professional services	\$1,101	Program services	No associated donor restrictions	Donated services from professionals are valued at the estimated fair value based on current rates for similar services.
2022				
Items Donated	Revenue Recognized	Utilization in Programs/Activities	Donor Restrictions	Valuation Techniques and Inputs
Raffle prizes	\$8,246	Fundraising event	Donor restriction - raffle prizes for Trivia Night event	Donated raffle prizes are valued at the gross selling price received.
Legal services	\$7,350	Various program services	No associated donor restrictions	Donated services from attorneys are valued at the estimated fair value based on current rates for similar legal services.

Functional Allocation of Expenses

The statements of functional expenses present expenses by function and natural classification. California CASA allocates its expenses on a functional basis among its various programs and supporting services. Expenditures which can be identified with a specific program or support services are allocated directly, according to their natural expenditure classification. Costs that are common to several functions are allocated among the program and supporting services on the basis of time records, space utilized, and estimates made by California CASA's management.

Income Taxes

California CASA is a public charity, and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. California CASA believes that it has appropriate support for any tax positions taken, and, as such, does not have any uncertain tax positions that are material to the financial statements. California CASA is not a private foundation.

California CASA's Return of Organization Exempt from Income Tax for the years ended June 30, 2023, 2022, 2021 and 2020 are subject to examination by the Internal Revenue Service and State taxing authorities, generally three-to-four years after the returns were filed.

CALIFORNIA COURT APPOINTED SPECIAL ADVOCATE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

Note 2 - Significant Accounting Policies: (Continued)

Cash and Cash Equivalents

For purposes of the statements of cash flows, California CASA considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Accounting Pronouncement Adopted

In February 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Codification (“ASC”) 842, *Leases* (“FASB ASC 842”) to increase transparency and comparability among organizations by requiring the recognition of lease assets and lease liabilities on the balance sheet by lessees and the disclosure of key information about leasing arrangements. This standard is applied on a modified retrospective basis. FASB ASC 842 was adopted July 1, 2022 with certain practical expedients available. The adoption had no effect on the 2023 financial statements.

Subsequent Events

California CASA has evaluated subsequent events through November 3, 2023, which is the date the financial statements are available for issuance, and concluded that there were no events or transactions that needed to be disclosed.

Reclassification

California CASA has reclassified certain prior year information to conform with the current year presentation. These reclassifications have no material effect on the change in net assets as previously reported.

CALIFORNIA COURT APPOINTED SPECIAL ADVOCATE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

Note 3 - Liquidity and Availability:

California CASA regularly monitors the availability of resources required to meet its operating needs and other contractual commitments. California CASA considers contributions without donor restrictions, and contributions with donor restrictions for use in current programs which are ongoing, major, and central to its annual operations, to be available to meet cash needs for general expenditures. For purposes of analyzing resources available to meet general expenditures over a 12-month period, California CASA considers all expenditures related to its ongoing programs, as well as the conduct of services undertaken to support those activities, to be general expenditures.

The table below presents financial assets available for general expenditures within one year at June 30:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 9,619,569	\$ 2,229,060
Accounts receivables	102,945	125,613
Pledges receivable	<u>260,000</u>	<u>250,000</u>
Total financial assets	<u>9,982,514</u>	<u>2,604,673</u>
Less assets unavailable for general expenditures:		
Cash and investments held for board-designated purposes	<u>(848,977)</u>	<u>(836,255)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 9,133,537</u>	<u>\$ 1,768,418</u>

Note 4 - Pledges Receivable:

In September 2021, California CASA was informed that its largest donor, who preferred to remain anonymous in his lifetime, had left California CASA a specific gift of \$1,000,000 from his estate, with directions that it be dispersed in \$250,000 increments over four years, beginning in 2021. The purpose of this gift is to support general operations, so California CASA could continue to find ways for local CASA programs in the state network to ultimately serve more children in foster care.

Pledges receivable consist of the following at June 30:

	<u>2023</u>	<u>2022</u>
Current:		
Due in less than one year	\$ <u>260,000</u>	\$ <u>250,000</u>
Total Current	<u>260,000</u>	<u>250,000</u>
Noncurrent:		
Due in one-to-five years	250,000	500,000
Less: Discounts to present value	<u>(13,985)</u>	<u>(34,665)</u>
Total Noncurrent, Net	<u>236,015</u>	<u>465,335</u>
Total Pledges Receivable, Net	<u>\$ 496,015</u>	<u>\$ 715,335</u>

Pledges receivable have been discounted to their present value using a discount rate of 2.92% for the years ended June 30, 2023 and 2022.

CALIFORNIA COURT APPOINTED SPECIAL ADVOCATE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

Note 5 - Board-Designated Operating Reserve:

California CASA’s Board of Directors designated a portion of its resources without donor restrictions for an operating reserve, to ensure the stability of its mission, programs, employment, and ongoing operations. The reserve provides that several months of operating expenses be maintained as a reserve. The reserve totaled \$848,977 and \$836,255 at June 30, 2023 and 2022, respectively.

Note 6 - Net Assets With Donor Restrictions:

Net assets with donor restrictions represent contributions received or receivable by California CASA which are limited in their use by time or donor-imposed restrictions. Net assets with donor restrictions are available for the following purpose at June 30:

	<u>2023</u>	<u>2022</u>
Subject to Expenditure for Specified Purpose:		
Silicon Valley Community Foundation (CASAs for Youth in Juvenile Justice pilot project)	\$ 182,322	\$ 281,741
Texas CASA (Legislative Advocacy Teams pilot project)	8,449	-
Walter S. Johnson Foundation (Enhancing & Sustaining Philanthropy)	-	27,121
Total Subject to Expenditure for Specified Purpose	190,771	308,862
Subject to the Passage of Time:		
Pledges receivable, net	486,015	715,335
Total Net Assets with Donor Restrictions	\$ 676,786	\$ 1,024,197

Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose, or by the occurrence of the passage of time or other events specified by the donors, are as follows for the years ended June 30:

	<u>2023</u>	<u>2022</u>
Purpose Restrictions Accomplished:		
Silicon Valley Community Foundation (Juvenile Justice Pilot)	\$ 99,420	\$ 95,615
Walter S. Johnson Foundation (Enhancing & Sustaining Philanthropy)	27,121	122,879
Texas CASA	19,051	-
Time Restrictions Fulfilled		
Total Net Assets Released from Restrictions	\$ 395,592	\$ 218,494

Note 7 - Commitment:

Retirement Plan

California CASA has established a 403(b) retirement plan (the “Plan”) for employees. The Plan allows for employee contributions up to the maximum amount allowed by the Internal Revenue Code. California CASA may contribute 3% of eligible employee compensation at the Board’s discretion. California CASA contributed \$18,801 and \$26,112 to the Plan for the years ended June 30, 2023 and 2022, respectively.



Leaf & Cole, LLP

*Certified Public Accountants
A Partnership of Professional Corporations*

**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***

To the Board of Directors
California Court Appointed Special Advocate Association

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, 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 our report thereon dated November 3, 2023.

Report on 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 designing 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 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.

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 or significant deficiencies. 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 or significant deficiencies may exist that were not identified.

Report on 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.

Leaf & Cole LLP

San Diego, California
November 3, 2023