Court Appointed Special Advocates of San Luis Obispo County

Audited Financial Statements

June 30, 2024

Court Appointed Special Advocates of San Luis Obispo County

Table of Contents

	Page
Audited Financial Statements:	
Independent Auditors' Report	1
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to the Financial Statements	7

Moss, Levy & Hartzheim LLP

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Court Appointed Special Advocates of San Luis Obispo County
PO Box 1168
San Luis Obispo, California 93406

Opinion

We have audited the accompanying financial statements of the Court Appointed Special Advocates of San Luis Obispo County (CASA) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related combined statements of activities, functional expenses, and cash flows for the fiscal year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of CASA as of June 30, 2024, and the results of its activities for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 CASA 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 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 CASA'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 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 aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

2400 Professional Parkway, Suite 205 Santa Maria, CA 93455 Tel 805.925.2579 Fax 805.925.2147 mlhcpas.com

BEVERLY HILLS · CULVER CITY · SANTA MARIA

In performing an audit in accordance with generally accepted 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 CASA'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 CASA'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.

Moss, Levy & Hartzheim LLP

Santa Maria, California
November 4, 2024

Court Appointed Special Advocates of San Luis Obispo County
Statement of Financial Position
June 30, 2024

Assets		
Current assets		
Cash		$ 1,002,453
Certificates of deposit		75,902
Grants receivable		119,534
Gift cards		8,400
Prepaid expenses and deposits		31,456
Right of use asset		128,767
	Total current assets	1,366,512
Fixed assets		
Fixed assets, at cost		127,055
Less: Accumulated depreciation		(63,436)
	Net fixed assets	63,619
	Total assets	$ 1,430,131
Liabilities and net assets		
Current liabilities		
Accounts payable		23,179
Payroll liabilities		40,172
Unearned revenue		23,186
	Total current liabilities	86,537
Long-term liabilities		
Lease liability		132,590
Compensated absences		41,842
	Total long-term liabilities	174,432
	Total liabilities	260,969
Net assets		
Without donor restrictions		1,169,162
	Total net assets	1,169,162
	Total liabilities and net assets	$ 1,430,131

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

Court Appointed Special Advocates of San Luis Obispo County
Statement of Activities
Fiscal Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support:			
Grants	$ 119,957	$ 1,056,882	$ 1,176,839
Contributions	274,230		274,230
Contributions in-kind	34,365		34,365
Total support	428,552	1,056,882	1,485,434
Revenues:			
Special events (net of direct costs)	58,852		58,852
Fees for services	35,000		35,000
Investment income	32,521		32,521
Program fees	3,511		3,511
Total revenues	129,884		129,884
Total support and revenues	558,436	1,056,882	1,615,318
Reclassifications:			
Net assets released from restrictions	1,056,882	(1,056,882)	
Total support, revenues and reclassifications	1,615,318		1,615,318
Expenses:			
Program services:			
Advocate program	1,104,672		1,104,672
Support services:			
Management and general	193,536		193,536
Fund raising	212,199		212,199
Total expenses	1,510,407		1,510,407
Increase (decrease) in net assets	104,911		104,911
Net assets at beginning of fiscal year	1,064,251		1,064,251
Net assets at end of fiscal year	$ 1,169,162	$ -	$ 1,169,162

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

Court Appointed Special Advocates of San Luis Obispo County
Statement of Functional Expenses
Fiscal Year Ended June 30, 2024

	Program Services	Support Services		
	Advocate Program	Management and General	Fund Raising	Total Expenses
Salaries and wages	$ 657,644	$ 116,282	$ 144,571	$ 918,497
Staff Wellness		22,857		22,857
Payroll taxes	51,330	9,076	11,284	71,690
Employee benefits	69,890	12,358	15,364	97,612
Workers' compensation	102	18	23	143
Total personnel costs	778,966	160,591	171,242	1,110,799
Bank expenses	4,683	828	1,030	6,541
Board expenses	7,340	1,298	1,614	10,252
Child enrichment	25,244			25,244
Computer	3,766	666	828	5,260
Dues and subscriptions	11,578	2,047	2,545	16,170
Insurance	22,271	3,938	4,896	31,105
Interest	5,651	999	1,242	7,892
Janitorial	4,735	837	1,041	6,613
Licenses, fees, taxes	1,158	205	255	1,618
Office expenses	8,916	1,577	1,960	12,453
Occupancy	18,890	3,340	4,152	26,382
Postage	1,100	195	242	1,537
Printing	2,266	401	498	3,165
Professional services	52,311	9,250	11,500	73,061
Recruitment	16,105			16,105
Special events direct costs			62,493	62,493
Staff training	30,466			30,466
Telephone	4,765	843	1,047	6,655
Travel	7,005			7,005
Volunteer expenses	11,422			11,422
Subtotal expenses	1,018,638	187,015	266,585	1,472,238
Contributions in-kind	34,365			34,365
Amortization	36,879	6,521	8,107	51,507
Depreciation	14,790			14,790
Less special event direct costs			(62,493)	(62,493)
Total expenses	$ 1,104,672	$ 193,536	$ 212,199	$ 1,510,407
Percent of total expenses	73%	13%	14%	100%

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

Court Appointed Special Advocates of San Luis Obispo County
Statement of Cash Flows
Fiscal Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Cash flows from operating activities			
Increase (decrease) in net assets	$ 104,911	$ -	$ 104,911
Adjustment to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:			
Depreciation	14,790		14,790
Amortization of right of use asset	51,507		51,507
Investment income	(19,319)		(19,319)
Changes in operating assets and liabilities:			
(Increase) decrease in:			
Grants receivable	18,215		18,215
Gift cards	(4,894)		(4,894)
Prepaid expenses and deposits	8,647		8,647
Increase (decrease) in:			
Accounts payable	11,566		11,566
Payroll liabilities	4,111		4,111
Deferred revenue	9,786		9,786
Compensated absences	18,141		18,141
Net cash provided (used) by operating activities	217,461		217,461
Cash flows from investing activities			
Reinvested interest into certificates of deposit	28,977		28,977
Acquisition of equipment	(6,298)		(6,298)
Net cash used by investing activities	22,679		22,679
Cash flows from financing activities			
Interest payments on lease	(7,892)		(7,892)
Principal payments on lease	(55,576)		(55,576)
Net cash provided by financing activities	(63,468)		(63,468)
Net increase (decrease) in cash and equivalents	176,672		176,672
Cash and cash equivalents at beginning of fiscal year	825,781		825,781
Cash and cash equivalents at end of fiscal year	$ 1,002,453	$ -	$ 1,002,453

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

Note 1 - Significant Accounting Policies

The following is a summary of significant accounting policies followed in the preparation of these financial statements. The policies conform to accounting principles generally accepted in the United States of America applicable to voluntary health and welfare organizations and have been consistently applied.

Nature of operations
Court Appointed Special Advocates (CASA) of San Luis Obispo County, is a California nonprofit corporation whose mission is to assure a safe, permanent, nurturing home for every abused and/or neglected child by providing a highly-trained volunteer to advocate for them in the court system. CASA serves children in San Luis Obispo County, and derives its revenues primarily from grants, contributions, and fund raising.

Description of programs
Advocate program - Works to prevent abused, neglected, and abandoned children from becoming lost in the Juvenile Dependency system, and finds them safe, permanent homes as quickly as possible, by carefully pairing a CASA volunteer advocate with a child to ensure that the child's best interest is served. The advocate spends time with the child, gathers relevant information, assesses the child's needs, writes reports for the juvenile court judge, and attends all court hearings regarding the child until a suitable, nurturing, permanent home is obtained.

Management and General **-** Includes the functions necessary to maintain the Organization's support program; ensure an adequate working environment; provide coordination and articulation of the Organization's program strategy through the office of the executive director; secure proper administrative functioning of the board of directors; maintain competent legal services for the program administration of the Organization; and manage the financial and budgetary responsibilities of the Organization.

Fund Raising - Provides the structure necessary to encourage and secure private financial support from individuals, foundations, and businesses.

Basis of accounting
The accompanying financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other accruals.

Basis of presentation
Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations.

Net assets with donor restrictions - Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the Organization must continue to use the resources in accordance with donor's instructions.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Use of estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses
The costs of providing the various programs have been summarized on a functional basis in the statement of activities and the statement of functional expenses. Accordingly, certain management and general expenses have been allocated among the program and supporting services benefited.

Subsequent events
Management has evaluated subsequent events through November 4, 2024, which was the date the financial statements were available to be issued.

Advertising costs
Advertising costs intended to solicit revenue in an exchange transaction are recorded as management and general expenses in the period incurred.

Note 1 - Significant Accounting Policies (continued)

Tax status
CASA has been determined to be exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code. CASA qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). With few exceptions, CASA is no longer subject to U.S. federal and state income tax examinations by tax authorities for fiscal years before July 1, 2019

Cash
All short-term investments with original maturities of three months or less are considered to be cash equivalents.

Accounts receivable and allowance for doubtful accounts
Receivables are accounted for on the accrual basis and become past due after 30 days. No allowance for uncollectable accounts has been provided, as CASA typically collects all outstanding amounts. Trade receivables are written off if all efforts at collection have failed and management determines that collection is unlikely.

Promises to Give
Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Fixed assets
Purchases of fixed assets costing $1,000 or more are capitalized. Donated fixed assets valued at $1,000 or more are capitalized and recorded at fair value at the time of receipt. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. The cost and accumulated depreciation of property sold or retired is removed from the related asset and accumulated depreciation accounts and any resulting gain or loss is recorded in the fiscal year of disposal. Depreciation is calculated utilizing the straight-line method over the estimated useful lives of the assets, that range from five to seven years for furniture and equipment, and 20 years for leasehold improvements.

Donations of fixed assets
Donations of property and equipment (long-lived assets) that do not have donor imposed stipulations about how long the property must be used are recorded as unrestricted contributions in the fiscal year received.

Investments
Investments consist of bank certificates of deposits with readily determinable fair values, presented at fair value in the statement of financial position. Realized and unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

Revenue recognition
Grants and contributions are recognized as revenue when received, or receivables if the amount to be received can be reasonably estimated and collection is reasonably assured, under the accrual method of accounting. All other revenues and expenditures are recorded when earned.

Unearned revenue
Special events receipts are recognized as revenue in the fiscal year they are earned. Amounts collected or billed for future fiscal years are recorded as unearned revenue.

Contributed services
CASA records the fair value of contributed services in the financial statements if the services either (a) create or enhance a nonfinancial asset or (b) require specialized skills; are provided by persons possessing those skills; and would need to be purchased if they were not donated as required by ASC 958. CASA's volunteer advocates' contributed services meet these recognition requirements and are included in in-kind contributions. See Note 11 for details.

Restricted and unrestricted revenue
Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Note 1 - Significant Accounting Policies (continued)

Fair value measurements

FASB ASC 820, Fair Value Measurements and Disclosures, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1. Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that CASA has the ability to access.

Level 2. Inputs to the valuation methodology include:

Quoted prices for similar assets or liabilities in active markets.

Quoted prices for identical or similar assets or liabilities in inactive markets.

Inputs other than quoted prices that are observable for the asset or liability.

Inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3. Inputs to valuation methodology are unobservable and significant to the fair value measurement.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. However, level 1 inputs are not available for some of the assets that the organization is required to measure at fair value (for example, in-kind contributions).

The primary uses of fair value measures in CASA's financial statements are as follows:

Initial measurement of in-kind contributions.

Recurring measurement of investments in U.S. Treasury securities, and certificates of deposit.

Note 2 - Cash

Cash and money market funds are held in separate bank and investment accounts. Cash deposits insured by the federal government totaled $416,894 at June 30, 2024.

Cash consisted of the following at June 30, 2024:

Coast Hills	$	105,921
Charles Schwab		835,559
Pacific Premier		60,942
Paypal		31
Total operating cash	$	1,002,453

Note 3 - Concentrations

Concentrations of grants receivable are as follows:		Amount	% of Total
Cal OES	$	81,121	67.8%
Judicial		9,703	8.1%
San Luis Obispo County Probation		17,500	14.6%
SLO County ARPA		11,308	9.5%
Total accounts receivable	$	119,632	100.0%

Note 3 - Concentrations (continued)

Concentrations of support and revenues are as follows:

Grants	$ 1,176,839	65.7%
Contributions	274,230	24.4%
Special events	58,852	5.8%
Fees for services	35,000	2.4%
In-kind contributions	34,365	1.3%
Investment income	32,521	0.2%
Program fees	3,511	0.2%
Total support and revenues	$ 1,615,318	100.0%

Note 4 - Fixed Assets

Fixed assets activity for the fiscal year ended June 30, 2024, is detailed in the following schedule.

	Beginning Balance	Additions	Disposals	Ending Balance
Equipment	$ 48,762	$ 2,298	$ -	$ 51,060
Furniture and fixtures	71,995	4,000		75,995
Fixed assets at cost	120,757	6,298		127,055
Less: Accumulated depreciation	(48,646)	(14,790)		(63,436)
Net fixed assets	$ 72,111	$ (8,492)	$ -	$ 63,619

Note 5 - Investments

The cost basis of investments, and cumulative gains and losses at June 30, 2024, is as follows:

	Cost	Fair Value
Investments in marketable securities:		
Investment cash and money market funds	$ 835,549	$ 835,618
Total investments	835,549	$ 835,618
Cumulative unrealized gains	69	
Investments at fair value	$ 835,618	

Investment income for the fiscal year ended June 30, 2024, consisted of the following:

Interest and dividends	$ 32,452
Unrealized gains	69
Net investment income	$ 32,521

Note 6 - Fair Value Measurements

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2024.

Exchange-traded certificates of deposit: Determined by the closing bid price on the last business day of the fiscal year if actively traded, and include accrued interest.

The following table sets forth, by level within the fair value hierarchy, CASA's assets at fair value at June 30, 2024.

	Total	Quoted Prices in Active Markets for Identical Assets Level 1	Significant other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Investments in marketable securities:				
Investment cash and money market funds	$ 835,559	$ 835,599	$ -	$ -
Total assets stated at fair value	$ 835,559	$ 835,599	$ -	$ -

There were no significant transfers between the levels during the year.

Note 7 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2024 are:

Financial Assets:	
Cash on hand and in banks	$ 1,002,453
Grants receivable	119,534
Certificates of deposit	75,902
Total financial assets	1,197,889
Less: unavailable grant commitments receivable	-
Amounts available for expenditure within one year	$ 1,197,889

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Note 8 - Lease Payable

The Organization has a lease for space at 75 Higuera Street, Suites 170 and 180, in San Luis Obispo, California. The most recent lease amendment became effective January 1, 2022 and runs through December 31, 2026. The Organization is currently paying $4,685 a month under the current terms. There are built in increases between 2% and 5% each year. The lease payable is measured at the present value of the future minimum lease payments expected to be paid during the lease term at a discount rate of 3%, which is the implicit rate used for this agreement. In the fiscal year ending June 30, 2024, the Organization reduced the lease liability by $55,576.

Note 9 - Donor Restricted Net Assets

Donor restricted net assets consists of monies received during the fiscal year, and restricted for a specific purpose or period of time. Activity for donor restricted net assets for the fiscal year ended June 30, 2024, is detailed in the following schedule.

Donor restricted net assets:	Beginning Balance	Funds Received	Funds Released	Ending Balance
	$ -	$ 1,056,882	$ (1,056,882)	$ -
	$ -	$ 1,056,882	$ (1,056,882)	$ -

Note 10 - Special Events

CASA conducted several special events during the fiscal year as part of its fund raising efforts. Activity for the special events excluding contributions is detailed below.

	Receipts	Direct Costs	Net Proceeds
Special events	$ 121,345	$ (62,493)	$ 58,852

Special event proceeds plus in-kind contributions attributed to the events totaled $34,365 for the fiscal year ended June 30, 2024. These amounts are recorded as contributions in the accompanying statement of activities.

Note 11 - Contributions In-kind

During the fiscal year ended June 30, 2024, CASA received office space, advertising, and items for special events as in-kind contributions. Contributions in-kind for the fiscal year ended June 30, 2024, are as follows:

Office and storage space	$ 4,200
Donated auction items	30,165
Total contributions in-kind	$ 34,365

Note 12 - Right of use asset

During the 2022/23 fiscal year, CASA implemented *FASB ASU No. 2016-02, Leases*. The right of use asset is recorded as the lease liability plus initial direct costs plus prepayments less any lease incentives. The initial right of use asset was calculated to be $231,871 as of June 30, 2023. The lease will be amortized over the remainder of the lease term which is 54 months. The amortization of the right of use asset is shown below:

	Beginning Balance	Additions	Disposals	Ending Balance
Right of use asset	$ 231,781		$ -	$ 231,781
Total right of use assets	231,781	-		231,781
Less: Accumulated amortization	(51,507)	(51,507)		(103,014)
Net right of use asset	$ 180,274	$ (51,507)	$ -	$ 128,767

Note 13 - Concentrations of Risk

The majority of CASA's contributions and grants are received from individuals, foundations, and businesses located in the greater San Luis Obispo metropolitan area and from an agency of the State of California. As such, CASA's ability to generate resources via contributions and grants is dependent upon the economic health of that area and of the County of San Luis Obispo. An economic downturn could cause a decrease in contributions and grants that coincides with an increase in demand for CASA's services.

CASA's investments are subject to various risks, such as interest rate, credit, and overall market volatility risks. Further, because of the significance of the investments to CASA's financial position and the level of risk inherent in most investments, it is reasonably possible that changes in the values of these investments could occur in the near term and such changes could materially affect the amounts reported in the financial statements. Management is of the opinion that the diversification of its invested assets among the various asset classes (see Notes 7 and 8) should mitigate the impact of changes in any one class.

Note 14 - Subsequent Events

Subsequent events have been evaluated through November 4, 2024, which is the date of the financial statements.