CALIFORNIA COURT APPOINTED
SPECIAL ADVOCATE ASSOCIATION

SAN DIEGO, CALIFORNIA

FINANCIAL STATEMENTS

JUNE 30, 2020
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<td></td>
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<td></td>
</tr>
</tbody>
</table>
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 (California CASA), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility
Our responsibility is to express 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, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.
Report on Summarized Comparative Information
We have previously audited California Court Appointed Special Advocate Association’s 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 30, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards
In accordance with Government Auditing Standards, we have also issued our report dated November 25, 2020, 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
November 25, 2020
California Court Appointed Special Advocate Association

STATEMENTS OF FINANCIAL POSITION

June 30, 2020
(With Comparative Totals for June 30, 2019)

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 1,565,160</td>
<td>$ 1,072,058</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>17,089</td>
<td>63,157</td>
</tr>
<tr>
<td>Prepaid expenses and other current assets</td>
<td>17,061</td>
<td>15,997</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>1,599,310</strong></td>
<td><strong>1,151,212</strong></td>
</tr>
<tr>
<td>Non-current assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intangible assets, net of accumulated amortization</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$ 1,599,310</td>
<td>$ 1,151,212</td>
</tr>
</tbody>
</table>

| **LIABILITIES AND NET ASSETS** |                |                |
| Current liabilities:          |                |                |
| Accounts payable and accrued expenses | $ 62,629 | $ 62,667 |
| Accrued vacation payable      | 48,698         | 32,156         |
| Refundable advances           | 550,499        | 578,240        |
| Accrued interest payable      | 199            | -              |
| PPP loan, current portion     | 58,551         | -              |
| **Total current liabilities** | **720,576**    | **673,063**    |
| Long-term liabilities:        |                |                |
| PPP loan payable, net of current portion | 58,996 | - |
| **Total long-term liabilities** | **58,996** | -              |
| **Total liabilities**         | **779,572**    | **673,063**    |
| Net assets:                   |                |                |
| Net assets without donor restrictions | 819,738 | 478,149 |
| **Total net assets**          | **819,738**    | **478,149**    |
| **Total liabilities and net assets** | $ 1,599,310 | $ 1,151,212 |

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, 2020  
(With Comparative Totals for the Year Ended June 30, 2019)

### Revenues:

<table>
<thead>
<tr>
<th>Description</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants and contracts</td>
<td>$1,136,160</td>
<td>$610,794</td>
</tr>
<tr>
<td>Individual support</td>
<td>722,756</td>
<td>851,251</td>
</tr>
<tr>
<td>Corporate support</td>
<td>35,590</td>
<td>10,000</td>
</tr>
<tr>
<td>In-kind donations</td>
<td>17,637</td>
<td>3,736</td>
</tr>
<tr>
<td>Investment return, net</td>
<td>11,041</td>
<td>7,058</td>
</tr>
<tr>
<td>Other income</td>
<td>971</td>
<td>995</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>1,924,155</td>
<td>1,483,834</td>
</tr>
</tbody>
</table>

### Expenses:

<table>
<thead>
<tr>
<th>Description</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program services</td>
<td>1,266,781</td>
<td>858,858</td>
</tr>
<tr>
<td>Supportive services:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management and general</td>
<td>95,012</td>
<td>93,855</td>
</tr>
<tr>
<td>Fundraising</td>
<td>220,773</td>
<td>176,194</td>
</tr>
<tr>
<td><strong>Subtotal supportive services</strong></td>
<td>315,785</td>
<td>270,049</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>1,582,566</td>
<td>1,128,907</td>
</tr>
</tbody>
</table>

### Changes in net assets

<table>
<thead>
<tr>
<th>Description</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Changes in net assets</td>
<td>341,589</td>
<td>354,927</td>
</tr>
<tr>
<td>Net assets, beginning of period</td>
<td>478,149</td>
<td>123,222</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net assets, end of period</strong></td>
<td>$819,738</td>
<td>$478,149</td>
</tr>
</tbody>
</table>

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

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California Court Appointed Special Advocate Association

**STATEMENTS OF FUNCTIONAL EXPENSES**

For the Year Ended June 30, 2020

(With Comparative Totals for the Year Ended June 30, 2019)

<table>
<thead>
<tr>
<th>Expenses:</th>
<th>Program Services</th>
<th>Management and General</th>
<th>Fundraising</th>
<th>Subtotal</th>
<th>Total 2020</th>
<th>Total 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel expense</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>$638,175</td>
<td>$71,698</td>
<td>$166,888</td>
<td>$238,586</td>
<td>$876,761</td>
<td>$683,742</td>
</tr>
<tr>
<td>Payroll taxes</td>
<td>45,434</td>
<td>5,105</td>
<td>11,881</td>
<td>16,986</td>
<td>62,420</td>
<td>52,880</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>63,904</td>
<td>7,180</td>
<td>16,712</td>
<td>23,892</td>
<td>87,796</td>
<td>84,631</td>
</tr>
<tr>
<td>Professional fees</td>
<td>101,239</td>
<td>1,961</td>
<td>4,192</td>
<td>6,153</td>
<td>107,392</td>
<td>85,721</td>
</tr>
<tr>
<td>Travel and meetings</td>
<td>22,465</td>
<td>425</td>
<td>989</td>
<td>1,414</td>
<td>23,879</td>
<td>39,348</td>
</tr>
<tr>
<td>Workshops and convenings</td>
<td>29,803</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>29,803</td>
<td>53,793</td>
</tr>
<tr>
<td>Grants to local programs</td>
<td>50,707</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>50,707</td>
<td>22,400</td>
</tr>
<tr>
<td>Program expenses</td>
<td>227,961</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>227,961</td>
<td>19,747</td>
</tr>
<tr>
<td>Conference and events</td>
<td>4,041</td>
<td>354</td>
<td>826</td>
<td>1,180</td>
<td>5,221</td>
<td>6,598</td>
</tr>
<tr>
<td>Fundraising costs</td>
<td>4,394</td>
<td>494</td>
<td>1,149</td>
<td>1,643</td>
<td>6,037</td>
<td>931</td>
</tr>
<tr>
<td>Office expense</td>
<td>24,973</td>
<td>2,333</td>
<td>5,429</td>
<td>7,762</td>
<td>32,735</td>
<td>35,985</td>
</tr>
<tr>
<td>Occupancy</td>
<td>24,132</td>
<td>2,712</td>
<td>6,310</td>
<td>9,022</td>
<td>33,154</td>
<td>25,231</td>
</tr>
<tr>
<td>Insurance</td>
<td>4,648</td>
<td>522</td>
<td>1,216</td>
<td>1,738</td>
<td>6,386</td>
<td>4,483</td>
</tr>
<tr>
<td>Telephone</td>
<td>6,762</td>
<td>760</td>
<td>1,768</td>
<td>2,528</td>
<td>9,290</td>
<td>7,779</td>
</tr>
<tr>
<td>Other</td>
<td>18,143</td>
<td>1,468</td>
<td>3,413</td>
<td>4,881</td>
<td>23,024</td>
<td>5,638</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td><strong>$1,266,781</strong></td>
<td><strong>$95,012</strong></td>
<td><strong>$220,773</strong></td>
<td><strong>$315,785</strong></td>
<td><strong>$1,582,566</strong></td>
<td><strong>$1,128,907</strong></td>
</tr>
</tbody>
</table>

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, 2020  
(With Comparative Totals for the Year Ended June 30, 2019)

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in net assets</td>
<td>$ 341,589</td>
<td>$ 354,927</td>
</tr>
<tr>
<td><strong>Adjustments to reconcile change in net assets to net cash provided by operating activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Changes in certain assets and liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>46,068</td>
<td>17,072</td>
</tr>
<tr>
<td>Prepaid expenses and other current assets</td>
<td>(1,064)</td>
<td>(125)</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>(38)</td>
<td>39,108</td>
</tr>
<tr>
<td>Accrued vacation payable</td>
<td>16,542</td>
<td>20,922</td>
</tr>
<tr>
<td>Refundable advances</td>
<td>(27,741)</td>
<td>342,035</td>
</tr>
<tr>
<td>Accrued interest payable</td>
<td>199</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net cash provided (used) by operating activities</strong></td>
<td>375,555</td>
<td>773,939</td>
</tr>
<tr>
<td><strong>Cash flows from financing activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from PPP loan payable</td>
<td>117,547</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net cash provided (used) by financing activities</strong></td>
<td>117,547</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net increase (decrease) in cash during the period</strong></td>
<td>493,102</td>
<td>773,939</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents, beginning of period</strong></td>
<td>1,072,058</td>
<td>298,119</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents, end of period</strong></td>
<td>$ 1,565,160</td>
<td>$ 1,072,058</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
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 advocating for improved child welfare practices and policies; providing local CASA programs with training, technical assistance, curriculum, and other resources; developing new and expanding existing CASA programs in the state; identifying and pursuing valuable alliances that leverage and/or expand children’s resources statewide; increasing public awareness about the needs of children in the juvenile dependency system; and promoting CASA as an effective and compassionate model to ensure children’s rights are protected, their voices are heard, and their health and wellness 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 donations.

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 return. California CASA has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

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. ASC 958-205 is effective for California CASA for the fiscal year ended June 30, 2019.

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:
NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

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.

Costs directly attributable to website development are capitalized as intangible assets. Such costs include purchases of services and payroll-related costs of employees directly involved in the project. Intangible assets are amortized by the straight-line method over estimated useful lives of 3 years.

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.
NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (continued)

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 includes those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of California CASA.

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 November 25, 2020, the date the financial statements were available to be issued.
NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (concluded)

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, 2019, from which the summarized information was derived.

N. 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, 2020, 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 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, 2020. 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, 2020 and 2019 were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank of America</td>
<td>$</td>
<td>$ 259,510</td>
</tr>
<tr>
<td>First Bank</td>
<td>1,295,863</td>
<td>402,533</td>
</tr>
<tr>
<td>Opus Bank</td>
<td>269,297</td>
<td>408,094</td>
</tr>
<tr>
<td>PayPal</td>
<td></td>
<td>1,921</td>
</tr>
<tr>
<td>Total</td>
<td>$ 1,565,160</td>
<td>$ 1,072,058</td>
</tr>
</tbody>
</table>

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 particular concern at this time.

NOTE 5 - ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2020 and 2019 was as follows:

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>California Governor’s Office of Emergency Services</td>
<td>$</td>
<td>$ 39,438</td>
</tr>
<tr>
<td>Judicial Council of California</td>
<td>17,089</td>
<td>21,543</td>
</tr>
<tr>
<td>National CASA/GAL Association</td>
<td></td>
<td>2,176</td>
</tr>
<tr>
<td>Total</td>
<td>$ 17,089</td>
<td>$ 63,157</td>
</tr>
</tbody>
</table>

NOTE 6 - INTANGIBLE ASSETS

Intangible assets as of June 30, 2020 and 2019 consisted of the following:

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Website development costs</td>
<td>$ 14,738</td>
<td>$ 14,738</td>
</tr>
<tr>
<td>Less: accumulated amortization</td>
<td>(14,738)</td>
<td>(14,738)</td>
</tr>
<tr>
<td>Intangible assets, net</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

Website development costs include personnel expenses of $13,338 and professional services of $1,400 incurred during the development and graphic design stage. As of June 30, 2020, the intangible assets have been fully amortized.

NOTE 7 - ACCRUED VACATION PAYABLE

Accumulated unpaid employee vacation benefits are recognized as liabilities of California CASA. The accumulated vacation payable was $48,698 and $32,156 for the years ended June 30, 2020 and 2019, respectively.
NOTE 8 - REFUNDABLE ADVANCES

Refundable advances represent grants received from donors that have not been recognized as revenue because the conditions of the grant have not been met. Refundable advances as of June 30, 2020 and 2019 were available for the following purposes:

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Silicon Valley Community Foundation</td>
<td>$398,129</td>
<td>$408,240</td>
</tr>
<tr>
<td>Kaiser Permanente, Northern California Community Benefit Programs</td>
<td>75,000</td>
<td>-</td>
</tr>
<tr>
<td>Our Little Light Foundation</td>
<td>-</td>
<td>100,000</td>
</tr>
<tr>
<td>van Löben Sels/RembeRock Foundation</td>
<td>48,870</td>
<td>30,000</td>
</tr>
<tr>
<td>Walter S. Johnson Foundation</td>
<td>3,500</td>
<td>-</td>
</tr>
<tr>
<td>The Zellerbach Family Foundation</td>
<td>25,000</td>
<td>40,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$550,499</strong></td>
<td><strong>$578,240</strong></td>
</tr>
</tbody>
</table>

NOTE 9 - PAYCHECK PROTECTION PROGRAM LOAN PAYABLE

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 15. 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, 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.

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

<table>
<thead>
<tr>
<th>Fiscal Year Ending June 30</th>
<th>Principal</th>
<th>Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021 (current portion)</td>
<td>$58,551</td>
<td>$1,194</td>
</tr>
<tr>
<td>2022</td>
<td>58,996</td>
<td>250</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$117,547</strong></td>
<td><strong>$1,444</strong></td>
</tr>
</tbody>
</table>

Total accrued interest on the PPP loan payable was $199 for the fiscal year ended June 30, 2020.
NOTE 10 - IN-KIND DONATIONS

In-kind donations for the years ended June 30, 2020 and 2019 were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board meeting and conference expenses</td>
<td>$3,418</td>
<td>$3,736</td>
</tr>
<tr>
<td>Legal services</td>
<td>14,219</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$17,637</td>
<td>$3,736</td>
</tr>
</tbody>
</table>

NOTE 11 - LEASE COMMITMENT

California CASA leases its facilities in Oakland, California and in San Diego, California under operating leases that expire on January 31, 2021 and October 31, 2020, respectively. The rent expense for the years ended June 30, 2020 and June 30, 2019 was $34,825 and $27,446, respectively. Future minimum lease payments under this agreement are as follows:

Fiscal year ending June 30, 2021 (through January 31, 2021) $15,005

NOTE 12 - SUBLEASE AGREEMENT

California CASA subleases its facility in Oakland, California under a sublease that expires on January 31, 2021. The rent income for the years ended June 30, 2020 and June 30, 2019 was $5,934 and $6,867, respectively. Future minimum lease receipts under this agreement are as follows:

Fiscal year ending June 30, 2021 (through January 31, 2021) $9,065

NOTE 13 - 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 in their sole discretion. For the year ended June 30, 2020, California CASA has made no contributions to the plan.
NOTE 14 - 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.

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$1,565,160</td>
<td>$1,072,058</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>17,089</td>
<td></td>
</tr>
<tr>
<td>Total financial assets</td>
<td>1,582,249</td>
<td>63,157</td>
</tr>
<tr>
<td>Refundable advances</td>
<td>(550,499)</td>
<td>1,135,215</td>
</tr>
<tr>
<td>Donor-imposed restrictions</td>
<td></td>
<td>(578,240)</td>
</tr>
<tr>
<td>Financial assets available to meet cash needs for general expenditures within one year</td>
<td>$1,031,750</td>
<td>$556,975</td>
</tr>
</tbody>
</table>

NOTE 15 - CORONAVIRUS PANDEMIC

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) began to spread among various countries, including the United States. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S., including 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 Loan 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 16 - RECLASSIFICATIONS

Certain amounts in the June 30, 2019 financial statements have been reclassified to conform to the June 30, 2020 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, which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 25, 2020.

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) to determine the 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. 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 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 determination of financial statement amounts. 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
November 25, 2020