
CASA OF SAN MATEO COUNTY

Financial Statements

June 30, 2020 and 2019

and

Independent Auditors' Report

CASA OF SAN MATEO COUNTY

June 30, 2020 and 2019

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To the Board of Directors
CASA of San Mateo County
San Mateo, CA

We have audited the accompanying statements of financial position of CASA of San Mateo County (CASA) a tax-exempt, organization, which comprise the statements of financial position as of June 30, 2020 and June 30, 2019, and the related statements of activities, functional expenses and cash flows for the years 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider internal control relevant to the entity'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 entity'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 opinion.

DELAGNES, MITCHELL & LINDER, LLP
CERTIFIED PUBLIC ACCOUNTANTS

Opinion

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of CASA of San Mateo County as of June 30, 2020 and June 30, 2019, 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.

Delagnes, Mitchell & Linder, LLP

Delagnes, Mitchell & Linder, LLP

San Francisco, CA
March 1, 2021

CASA of San Mateo County
Statements of Financial Position
June 30, 2020 and 2019

	<u>ASSETS</u>	<u>2020</u>	<u>2019</u>
Current assets:			
Cash and cash equivalents	\$	1,571,422	917,014
Accounts receivable		192,000	65,000
Prepays and other assets		8,410	21,248
Total Current Assets		1,771,832	1,003,262
Fixed assets:			
Property and equipment, net of accumulated depreciation		25,553	39,546
Total Assets	\$	1,797,385	1,042,808
<u>LIABILITIES AND NET ASSETS</u>			
Current liabilities:			
Accounts payable and other accrued expenses	\$	11,522	-
Accrued vacation		28,066	15,520
Total Current Liabilities		39,588	15,520
PPP Loan		192,700	-
Total Liabilities		232,288	15,520
Net assets:			
Without donor restrictions		1,373,097	962,288
With donor restrictions		192,000	65,000
Total Net Assets		1,565,097	1,027,288
Total Liabilities and Net Assets	\$	1,797,385	1,042,808

CASA of San Mateo County
Statements of Activities and Changes in Net Assets
For the Years Ended June 30, 2020 and 2019

	Without Donor Restrictions	With Donor Restrictions	2020 Total	Without Donor Restrictions	With Donor Restrictions	2019 Total
Revenue and support:						
Contributions	\$ 442,964	192,000	634,964	445,947	-	445,947
Grants	778,229	-	778,229	548,730	65,000	613,730
Government contracts and grants	291,370	-	291,370	261,580	-	261,580
Investment income	2,627	-	2,627	3,128	-	3,128
Net assets released from restrictions	65,000	(65,000)	-	50,000	(50,000)	-
Total revenues and support	<u>1,580,190</u>	<u>127,000</u>	<u>1,707,190</u>	<u>1,309,385</u>	<u>15,000</u>	<u>1,324,385</u>
Expenses:						
Program services	794,347	-	794,347	833,062	-	833,062
General and administration	139,492	-	139,492	101,991	-	101,991
Fundraising	235,542	-	235,542	275,874	-	275,874
Total expenses	<u>1,169,381</u>	<u>-</u>	<u>1,169,381</u>	<u>1,210,927</u>	<u>-</u>	<u>1,210,927</u>
Change in net assets	410,809	127,000	537,809	98,458	15,000	113,458
Net assets at beginning of year	<u>962,288</u>	<u>65,000</u>	<u>1,027,288</u>	<u>863,830</u>	<u>50,000</u>	<u>913,830</u>
Net assets at end of year	<u>\$ 1,373,097</u>	<u>192,000</u>	<u>1,565,097</u>	<u>962,288</u>	<u>65,000</u>	<u>1,027,288</u>

see accompanying notes to financial statements and auditors' report

CASA of San Mateo County
Statements of Cash Flows
For the Years Ended June 30, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets from Statement of Activities	\$ 537,809	\$ 113,458
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	13,992	13,677
Changes in:		
Accounts receivable	(127,000)	8,000
Prepaid expenses	12,838	-
Accounts payable and accrued liabilities	24,069	(17,098)
Cash provided (used) by operating activities	<u>461,708</u>	<u>118,037</u>
 CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of equipment	<u>-</u>	<u>(4,561)</u>
Net cash used by investing activities	<u>-</u>	<u>(4,561)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES:		
PPP Loan	<u>192,700</u>	<u>-</u>
 Increase(decrease) in cash	654,408	113,476
Cash and equivalents, beginning of period	<u>917,014</u>	<u>803,538</u>
Cash and equivalents, end of period	\$ <u><u>1,571,422</u></u>	\$ <u><u>917,014</u></u>

see accompanying notes to financial statements and auditors' report

CASA of San Mateo County
Statement of Functional Expenses
For The Year Ended June 30, 2020

		General and		
	<u>Programs</u>	<u>Administration</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 502,694	95,796	159,660	758,150
Employee benefits	102,386	12,125	20,208	134,719
Payroll taxes	43,600	5,163	8,606	57,369
Total personnel costs	648,680	113,084	188,474	950,238
Audit and accounting fees	-	8,000	-	8,000
Bank fees and interest	-	5,387	-	5,387
Human resource services	17,690	1,228	2,570	21,488
Consultants	-	1,743	-	1,743
Computer consulting	25,892	1,703	6,474	34,069
Recruitment and training	17,308	-	-	17,308
Printing and copying	10,665	1,263	2,105	14,033
Supplies	14,819	1,755	2,925	19,499
Program expenses	3,287	-	-	3,287
Telephone	7,651	531	2,444	10,626
Postage and mailings	1,560	185	307	2,052
Rent	14,439	1,711	2,849	18,999
Other expenses	5,806	382	1,452	7,640
Advertising and marketing	12,719	883	2,731	16,333
Events	-	-	20,481	20,481
Depreciation	10,634	1,259	2,099	13,992
General liability insurance	3,197	378	631	4,206
Total	\$ <u>794,347</u>	<u>139,492</u>	<u>235,542</u>	<u>1,169,381</u>

see accompanying notes to financial statements and auditors' report

CASA of San Mateo County

Statement of Functional Expenses

For The Year Ended June 30, 2019

	<u>Programs</u>	<u>General and Administration</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 570,680	39,630	182,302	792,612
Employee benefits	87,800	6,097	28,048	121,945
Payroll taxes	48,816	3,390	15,595	67,801
Total personnel costs	707,296	49,117	225,945	982,358
Audit and accounting fees	-	8,000	-	8,000
Bank fees and interest	-	4,218	-	4,218
Human resource services	17,690	1,228	5,652	24,570
Consultants	-	5,954	-	5,954
Computer consulting	-	28,202	-	28,202
Recruitment and training	25,633	-	390	26,023
Printing and copying	13,261	921	4,236	18,418
Supplies	9,405	653	3,005	13,063
Program expenses	6,546	-	-	6,546
Telephone	6,167	428	1,971	8,566
Postage and mailings	1,952	136	624	2,712
Rent	15,919	1,106	5,085	22,110
Other expenses	1,896	132	606	2,634
Advertising and marketing	12,719	883	4,063	17,665
Events	-	-	19,640	19,640
Depreciation	9,847	684	3,146	13,677
General liability insurance	4,731	329	1,511	6,571
Total	\$ <u>833,062</u>	<u>101,991</u>	<u>275,874</u>	<u>1,210,927</u>

CASA OF SAN MATEO COUNTY

Notes to Financial Statements

June 30, 2020 and 2019

1. Nature of activities and summary of significant accounting policies

(a) Nature of activities

CASA of San Mateo County (CASA) is a Court Appointed Special Advocates program in San Mateo County. CASA has had a strong presence in San Mateo County for over twenty years, first as part of a two-county CASA program and as a stand-alone program since 2006.

CASA's volunteers work with underserved children who have experienced abuse and/or neglect and who are part of the foster care and juvenile justice systems. These volunteers are often the only consistent adults spending time with and advocating for youth for the entire time the youth are in the foster care and juvenile justice systems. CASA volunteers focus on the needs and best interest of children, providing stability as children and their families navigate traumatic circumstances. Specifically, CASA's mission is to ensure that all children under the protection of the court because of abuse or neglect have a consistent and caring adult who speaks on their behalf and helps them reach their full potential.

CASA recruits, trains and supports adult community volunteers who are assigned to advocate for children, ages 0 through 21, who are in the child welfare or juvenile justice system. In the last year, CASA served approximately 240 children and youth with approximately 224 volunteers. Volunteers contributed over 12,000 hours on behalf of the children they supported during this same period. CASA volunteers support their youth in numerous ways, including but not limited to the following:

- At a minimum, weekly contact
- Identification of social, emotional, physical, developmental and educational needs
- Advocating to have needs met in a timely and appropriate manner
- Monitoring a child's well-being and safety in their placement(s)
- Overseeing and supporting academic progress
- Engaging children in enrichment activities
- Facilitating information sharing among professionals
- Writing reports to the Court to help guide judicial decision-making
- Serving as child's mentor and advocate
- Providing consistent support during traumatic events and transitions, such as change in home placements, schools and caregivers

CASA OF SAN MATEO COUNTY

Notes to Financial Statements

June 30, 2020 and 2019

1. Nature of activities and summary of significant accounting policies, continued

(a) Nature of activities (continued)

Additionally, CASA enhances its core services through additional initiatives. For instance, as part of its Academic Success Program, the organization strives provides educational advocacy designed to improve academic outcomes. the Embracing Our Community Program is designed to ensure the offering of culturally sensitive services and policies and acknowledges the disproportionate representation of Black and Latinx children in the child welfare and juvenile justice systems. The goal of the program is to ensure a diverse pool of volunteers and increase the inclusion of underrepresented communities among the organization's volunteers. In furtherance of this goal, CASA has also designed a Spanish-language volunteer training program.

In addition to children in foster care, CASA, in coordination with the Probation Department, serves juvenile justice youth who reside at home, at Juvenile Hall and young women at Camp Kemp.

(b) Basis of presentation

The financial statements are presented on the basis of net assets categorized by those with or without donor restrictions.

(c) Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"). (ASC) 958-205 was effective January 1, 2019.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets :of the Organization and changes therein are classified as follows:

CASA OF SAN MATEO COUNTY

Notes to Financial Statements

June 30, 2020 and 2019

1. Nature of activities and summary of significant accounting policies, continued

(c) Basis of Accounting (continued)

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

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

(d) Cash

Cash includes depository account balances other than those held temporarily as part of the long-term investment portfolio. The accounts are insured by the FDIC up to \$250,000 for each bank. At June 30, 2020 and 2019, the Organization had \$1,321,422 and \$667,015 respectively of uninsured cash balances.

(e) Donated goods and services

Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets 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 restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor.

During the years ended June 30, 2020 and 2019, the Organization received donated services from volunteers. In each year, over 12,000 hours were donated on behalf of the children served by the Organization. These in-kind are not reflected in the financial statements since these services do not meet the criteria for recognition.

CASA OF SAN MATEO COUNTY

Notes to Financial Statements

June 30, 2020 and 2019

1. Nature of activities and summary of significant accounting policies, continued

(f) Functional allocation of expenses

Expenses are charged to programs and supporting services on the basis of periodic time and expense studies as well as estimates made by the Organization's management. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

(g) Income taxes

The Organization is exempt from paying Federal and state income taxes under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d. Accordingly, no provision has been made for income taxes in the accompanying financial statements.

(h) Property and Equipment and Depreciation

Property and equipment is recorded at cost. Depreciation of property and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis.

2. NET ASSETS - DONOR RESTRICTIONS

Support that is restricted by a grantor agency or a donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, donor restricted net assets are reclassified to net assets without donor restrictions.

Net assets with donor restriction amounted to \$192,000 and \$65,000 respectively as of June 30, 2020 and June 30, 2019:

CASA OF SAN MATEO COUNTY

Notes to Financial Statements

June 30, 2020 and 2019

3. Fixed assets

Fixed assets include office equipment and leasehold improvements which are depreciated over lives ranging from 3 to 9 years using the straight-line method of depreciation. Office equipment at June 30, 2020 and 2019 consisted of the following:

	<u>2020</u>	<u>2019</u>
Furniture and fixtures	\$ 33,244	\$ 33,244
Leasehold improvements	91,935	91,935
Less accumulated depreciation	<u>(99,626)</u>	<u>(85,633)</u>
Property and equipment – net of accumulated depreciation	\$ <u>25,553</u>	\$ <u>39,546</u>

4. COVID-19 pandemic and CARES Act funding

On March 11, 2020, the World Health Organization designated the COVID-19 outbreak as a global pandemic. In response to COVID-19, on March 27, 2020 the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") was signed into law. The CARES Act added the Paycheck Protection Program ("PPP") to the U.S. Small Business Administration's ("SBA") loan program. A PPP loan can be used only for certain specified expenses and if approved the borrower can apply to have the loan forgiven. The program is administered by the SBA, but the borrower goes through their normal bank for loan approval and distribution/forgiveness of the loan. CASA of San Mateo applied for a PPP loan and on April 24, 2020 received a PPP loan in the amount of \$192,700. This appears on the statement of financial position at June 30, 2020.

5. Subsequent events

Subsequent events have been evaluated through March 1, 2021, the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine any impact on the financial statements.