

CASA OF SAN MATEO COUNTY

Financial Statements

June 30, 2019 and 2018

and

Independent Auditors' Report

CASA OF SAN MATEO COUNTY

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CASA OF SAN MATEO COUNTY

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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, 2019 and June 30, 2018, 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.

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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, 2019 and June 30, 2018, 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

December 1, 2019

DELAGNES, MITCHELL & LINDER, LLP

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CASA of San Mateo County
Statements of Financial Position
June 30, 2019 and 2018

ASSETS

	<u>2019</u>	<u>2018</u>
Current assets:		
Cash and cash equivalents	\$ 917,014	803,538
Accounts receivable	65,000	73,000
Prepaids and other assets	21,248	21,248
Total Current Assets	1,003,262	897,786
Fixed assets:		
Property and equipment, net of accumulated depreciation	39,546	48,662
Total Assets	\$ 1,042,808	946,448

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable and other accrued expenses	\$ -	1,808
Accrued vacation	15,520	30,810
Total Liabilities	15,520	32,618
Net assets:		
Without donor restrictions	962,288	863,830
With donor restrictions	65,000	50,000
Total Net Assets	1,027,288	913,830
Total Liabilities and Net Assets	\$ 1,042,808	946,448

CASA of San Mateo County

Statements of Activities and Changes in Net Assets For the Years Ended June 30, 2019 and 2018

	Without Donor Restrictions	With Donor Restrictions	2019 Total	Without Donor Restrictions	With Donor Restrictions	2018 Total
Revenue and support:						
Contributions	445,947	-	445,947	500,334	-	500,334
Grants	548,730	65,000	613,730	408,933	50,000	458,933
Government contracts and grants	261,580	-	261,580	173,626	-	173,626
Investment income	3,128	-	3,128	2,181	-	2,181
Net assets released from restrictions	50,000	(50,000)	-	-	-	-
Total revenues and support	<u>1,309,385</u>	<u>15,000</u>	<u>1,324,385</u>	<u>1,085,074</u>	<u>50,000</u>	<u>1,135,074</u>
Expenses:						
Program services	833,062	-	833,062	735,195	-	735,195
General and administration	101,991	-	101,991	104,799	-	104,799
Fundraising	275,874	-	275,874	204,814	-	204,814
Total expenses	<u>1,210,927</u>	<u>-</u>	<u>1,210,927</u>	<u>1,044,808</u>	<u>-</u>	<u>1,044,808</u>
Change in net assets	98,458	15,000	113,458	40,266	50,000	90,266
Net assets at beginning of year	<u>863,830</u>	<u>50,000</u>	<u>913,830</u>	<u>823,564</u>	<u>-</u>	<u>823,564</u>
Net assets at end 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>

CASA of San Mateo County
Statements of Cash Flows
For the Years Ended June 30, 2019 and 2018

CASH FLOWS FROM OPERATING ACTIVITIES:	2019	2018
Change in net assets from Statement of Activities	\$ 113,458	\$ 90,266
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	13,677	10,878
Changes in:		
Accounts receivable	8,000	(44,836)
Prepaid expenses	-	(11,032)
Accounts payable and accrued liabilities	(17,098)	(19,273)
Cash provided (used) by operating activities	118,037	26,003
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of equipment	(4,561)	(10,834)
Net cash used by investing activities	(4,561)	(10,834)
Increase(decrease) in cash	113,476	15,169
Cash and equivalents, beginning of period	803,538	788,369
Cash and equivalents, end of period	\$ 917,014	\$ 803,538

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	\$ 833,062	101,991	275,874	1,210,927

see accompanying notes to financial statements and auditors' report

CASA of San Mateo County

Statement of Functional Expenses

For The Year Ended June 30, 2018

	<u>Programs</u>	General and <u>Administration</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 522,182	41,775	132,286	696,243
Employee benefits	57,135	4,571	14,474	76,180
Payroll taxes	48,388	3,871	12,258	64,517
Total personnel costs	627,705	50,217	159,018	836,940
Audit and accounting fees	-	7,500	-	7,500
Bank fees and interest	-	3,993	-	3,993
Human resource services	12,913	861	7,438	21,212
Consultants	-	6,221	-	6,221
Computer consulting	-	31,308	-	31,308
Recruitment and training	25,633	-	-	25,633
Printing and copying	7,343	490	3,948	11,781
Supplies	9,313	621	1,667	11,601
Program expenses	5,160	-	-	5,160
Telephone	7,377	590	1,869	9,836
Postage and mailings	2,396	320	479	3,195
Rent	16,879	1,125	4,500	22,504
Other expenses	1,298	18	480	1,796
Advertising and marketing	6,262	501	1,586	8,349
Events	-	-	20,558	20,558
Depreciation	8,159	653	2,066	10,878
General liability insurance	4,757	381	1,205	6,343
Total	\$ 735,195	104,799	204,814	1,044,808

CASA OF SAN MATEO COUNTY

Notes to Financial Statements

June 30, 2019 and 2018

1. Nature of activities and summary of significant accounting policies:

(a) Nature of activities

CASA of San Mateo County (CASA) is a Court Appointed Advocates (CASA) Program in San Mateo County. CASA has had a strong presence in San Mateo County for over twenty-one years – as part of a two county CASA program for eight years and as a stand-alone program for thirteen years.

CASA's volunteers work with under-served abused and neglected children in the foster care system and increasingly, youth in the juvenile justice system. These volunteers are often the only consistent adults spending time with and advocating for them during the entire time they are in the foster care and delinquency systems. CASA volunteers focus on the needs, comfort, and happiness of the children helping them to have as normal lives as possible under traumatic circumstances. Specifically, CASA's mission is to ensure that all abused and neglected children under the protection of the court 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 (Advocates) who are assigned to dependent or juvenile justice children and youth, age 0 through 21. In each of the past two years, CASA served approximately 300 foster children/youth, juvenile justice youth and nonminor dependents with approximately 275 Advocates. Advocates contributed approximately 20,000 hours on behalf of their children in each of the past two years. Advocates (CASAs) are appointed by order of the Juvenile Court to advocate for the child's best interest. Advocate volunteers support their children in numerous ways. Advocates:

- Visit weekly
- Identify social, emotional, physical, developmental, and educational needs
- Ensure needs are met in a timely and appropriate manner
- Monitor well-being and safety in their home placements
- Oversee and support academic progress
- Engage their children in enrichment activities
- Facilitate information sharing among professionals
- Write reports to the Court to help guide the judges' decision making.

CASA OF SAN MATEO COUNTY

Notes to Financial Statements

June 30, 2019 and 2018

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

(a) Nature of activities (continued).

- Serve as the child's mentor and advocate
- Provide consistent support during traumatic events and transitions, such as changes in home placements, schools and foster families

Additionally, CASA enhances its core services through additional initiatives. The *Embracing Our Community Program* is designed to address the disproportionate number of African and American and Latino children in the child welfare system by increasing the inclusion of underrepresented communities in our volunteer pool. CASA hosts the only Spanish-language CASA volunteer training in the country. The *Academic Success Program* strives to improve educational outcomes for foster students through individual and systems wide advocacy. CASA serves juvenile justice youth in Juvenile Hall and young women at Camp Kemp and young men at Camp Glenwood. CASA collaborates through Project Change with the College of San Mateo, the Probation Department and the County Office of Education to transition probation youth to the community college.

(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, 2018.

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, 2019 and 2018

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, 2019 and 2018, the Organization had \$667,015 and \$553,538 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, 2019 and 2018, the Organization received donated services from volunteers. In each year, over 20,000 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, 2019 and 2018

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 \$65,000 and \$50,000 respectively as of June 30, 2019 and June 30, 2018:

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, 2019 and 2018 consisted of the following:

	<u>2019</u>	<u>2018</u>
Furniture and fixtures	\$ 34,894	\$ 30,333
Leasehold improvements	91,935	91,935
Less accumulated depreciation	<u>(87,283)</u>	<u>(73,606)</u>
Property and equipment – net of accumulated depreciation	\$ <u>39,546</u>	\$ <u>48,662</u>