

CHILD ADVOCATES OF PLACER COUNTY
FINANCIAL STATEMENTS
JUNE 30, 2024

**CHILD ADVOCATES OF PLACER COUNTY
FINANCIAL STATEMENTS
JUNE 30, 2024**

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INDEPENDENT AUDITOR'S REPORT

To the Board Directors
Child Advocates of Placer County
Auburn, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Child Advocates of Placer County (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Child Advocates of Placer County as of June 30, 2024, 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.

Basis for Opinion

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. 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 Child Advocates of Placer County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Child

Advocates of Placer County's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Child Advocates of Placer County'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 Child Advocates of Placer County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated DATE, on our consideration of Child Advocates of Placer County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Child Advocates of

Placer County'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 Child Advocates of Placer County's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Jensen Smith". The signature is written in a cursive, flowing style.

Jensen Smith
Certified Public Accountants, Inc.
Lincoln, California
March 31, 2025

CHILD ADVOCATES OF PLACER COUNTY
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024

ASSETS

Current Assets		
Cash and Cash Equivalents	\$	128,706
Investments		1,133,548
Grants and Other Receivables		105,093
Prepaid Expenses		59,113
Total Current Assets		\$ 1,426,460
Fixed Assets		
Office Furniture and Equipment		55,065
Lease Assets - Right of Use		463,237
Less: Accumulated Depreciation		(38,619)
Less: Accumulated Amortization - Lease		(240,882)
Total Net Fixed Assets		238,801
Non-Current Assets		
Placer Community Foundation Endowment		45,018
Total Non-Current Assets		45,018
TOTAL ASSETS		<u><u>\$ 1,710,279</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts Payable and Accrued Expenses	\$	97,670
Grant Advance		146,840
Accrued Vacation		59,637
Lease Liabilities - Current Portion		127,972
Total Current Liabilities		\$ 432,119
Non-Current Liabilities		
Lease Liabilities		100,431
Total Non-Current Liabilities		100,431
Total Liabilities		532,550
Net Assets		
Without Donor Restrictions		
Board Designated - Endowment		37,556
Other Without Donor Restrictions		1,128,025
Total Without Donor Restrictions		1,165,581
With Donor Restrictions		
Endowment		7,462
Other Donor Restricted		4,686
Total With Donor Restrictions		12,148
Total Net Assets		<u><u>1,177,729</u></u>
TOTAL LIABILITIES AND NET ASSETS		<u><u>\$ 1,710,279</u></u>

See Accompanying Notes

CHILD ADVOCATES OF PLACER COUNTY
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, SUPPORT AND OTHER GAINS			
Government Grants	\$ -	\$ 1,417,681	\$ 1,417,681
Non-Governmental Grants	-	819	819
Foundation Grants	126,500	45,250	171,750
Donations	312,664	73,581	386,244
Fundraising	293,573		293,573
Unrealized Gain (Loss)	2,462	-	2,462
Realized Gain (Loss)	1,335	-	1,335
Interest & Other Income	45,155	-	45,155
Net Assets Released from Restriction	1,534,224	(1,534,224)	-
TOTAL REVENUES SUPPORT AND OTHER GAINS	2,315,913	3,107	2,319,019
EXPENSES			
Program Services	1,640,227	-	1,640,227
Support Services:			
Administrative	292,103	-	292,103
Fundraising	184,173	-	184,173
TOTAL EXPENSES	2,116,503	-	2,116,503
Change in Net Assets	199,410	3,107	202,517
Net Assets at July 1, 2023	966,171	9,041	975,212
NET ASSETS AT JUNE 30, 2024	\$ 1,165,581	\$ 12,148	\$ 1,177,729

See Accompanying Notes

CHILD ADVOCATES OF PLACER COUNTY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024

	Program Services	Support Services		Total Expenses
		Administrative Expenses	Fundraising Expenses	
EXPENSES				
Personnel Costs	\$ 1,478,546	\$ 57,886	\$ 78,441	\$ 1,614,873
Community Outreach	19,548	2,684	2,315	24,548
Computer Expenses	1,068	5,277	-	6,344
Computer Software	2,250	8,455	663	11,367
Depreciation	-	6,073	-	6,073
Event Expenses	(300)	390	96,786	96,876
Foster Youth Activities	7,866	2,154	-	10,020
Insurance	-	9,679	-	9,679
Loss on Disposal of Fixed Assets	-	170	-	170
Miscellaneous	1,484	1,988	980	4,453
Office Supplies	4,968	5,990	812	11,769
Office Equipment	4,617	4,560	1,774	10,951
Professional Fees	13,456	36,696	-	50,152
Rent Expense	13,083	132,340	-	145,424
Training & Staff Development	41,796	3,664	417	45,876
Travel & Meals	34,102	5,697	1,325	41,124
Utilities	17,743	8,400	660	26,803
	<u>\$ 1,640,227</u>	<u>\$ 292,103</u>	<u>\$ 184,173</u>	<u>\$ 2,116,502</u>
TOTAL EXPENSES				

See Accompanying Notes

CHILD ADVOCATES OF PLACER COUNTY
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024

Cash Flows From Operating Activities

Change in Net Assets	\$ 202,517
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	6,073
Endowment Account Losses and Fees	(4,338)
Noncash Lease Expense	1,245
Loss on Disposal of Fixed Assets	170
(Increase) Decrease in Operating Assets	
Accounts Receivable	26,396
Prepaid Expenses	(39,275)
Increase (Decrease) in Operating Liabilities	
Accounts Payable and Accrued Expenses	(35,414)
Grant Advance	14,357
Accrued Vacation	8,551
Net Cash Provided by Operating Activities	<u>180,282</u>

Cash Flows From Investing Activities

Cash Invested	(178,339)
Purchase of Fixed Assets	(3,052)
Net Cash Used for Investing Activities	<u>(181,391)</u>

Net Change in Cash and Cash Equivalents	(1,109)
Cash and Cash Equivalents at July 1, 2023	<u>129,815</u>

Cash and Cash Equivalents at June 30, 2024	<u><u>\$ 128,706</u></u>
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Supplemental Information for the year ended June 30, 2024

Taxes paid was \$0
Interest paid was \$0

See Accompanying Notes

CHILD ADVOCATES OF PLACER COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1: NATURE OF THE ORGANIZATION

Child Advocates of Placer County was incorporated in December of 2003 for the purpose of providing advocates in court, and to find safe, permanent living alternatives for the children of Placer County who have been removed from their homes due to abuse, neglect, or violence. The Organization's mission is to provide foster children with Court Appointed Special Advocates (CASAs) and at risk youth with dedicated mentors, creating a bridge between the most vulnerable in our community and caring volunteers who want to help. The ultimate goal of the Organization is to help the children in the program to find safe and permanent homes, whether by returning to their families, or through adoption, or guardianship.

The majority of funding comes from individual donations, government and foundation grants and contracts with the Judicial Council and Superior Courts. The major program of Child Advocates of Placer County is the Court Appointed Special Advocates (CASA) program. Extensive training and program support is provided to all volunteer advocates so that they may serve as the critical link between the child, superior court and foster parents. These trained volunteers advocate for the child's best interest in the courtroom for: educational plans for success; appropriate medical and dental care; a safe, permanent home; understand and communicate with the child on what is happening in court and moving forward; and provide a consistent adult in the child's life.

Child Advocates of Placer County is a not-for-profit corporation exempt from federal and California state income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code. It is classified as an organization that is not a private foundation under Section 509(a)(2) of the Internal Revenue Code and qualifies for the 50% charitable contribution deduction for individual donors. The Organization did not have unrelated business income during fiscal year ended June 30, 2024.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Method

The financial statements of the Organization are prepared on the accrual basis of accounting. Revenue is recognized when earned and expenditures are recognized when incurred, rather than when cash is received or disbursed.

Revenue Recognition and Contributions

The Organization has adopted Accounting Standards Update (ASU) No. 2014-09 - Revenue from Contracts with Customers (Topic 606), as amended, as management believes the standard improves the usefulness and understandability of the Organization's financial reporting. Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

CHILD ADVOCATES OF PLACER COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. Verbal promises to give are not recorded unless confirmed in writing. Contributions are recorded as without restrictions or with restrictions depending on the existence and/or nature of donor restrictions, if any. The Organization records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place.

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in subsequent years are reported at the present value of estimated future cash flows, determined using approximate interest rates applicable to long-term government securities as of June 30th of the year in which the promises are received. Support that is restricted by the donor is reported as an increase in net assets without restrictions if the restriction is met in the same reporting period in which the support is received.

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. During the fiscal year ended June 30, 2024, the Organization received cost-reimbursable grants of \$146,840 that had not been used by the end of the fiscal year. The Organization recognized the funds as grant advances on the Statement of Financial Position.

Classes of Net Assets

The Organization follows the recommendations of the Financial Accounting Standards Board (FASB). FASB establishes standards for financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into two net asset categories according to externally-imposed restrictions. A description of the two net asset categories is as follows:

- a) *Net Assets Without Donor Restrictions* have no donor-imposed restrictions.
- b) *Net Assets With Donor Restrictions* have donor-imposed restrictions that are satisfied either by the passage of time or expenditures that meet the donor-specified purpose; or those contributed with donor stipulation that they be held in perpetuity with the use of income for unrestricted or restricted purposes. This also includes amounts contributed by the organization as an endowment and held in contract by an outside organization as permanently restricted.

CHILD ADVOCATES OF PLACER COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled or the stipulated time period has elapsed), are reported as revenues of the net assets with donor restrictions class and then moved to without donor restrictions as funds released from restrictions.

Cash

For purposes of the statement of cash flows, cash and cash equivalents are considered to be highly liquid depository accounts purchased with a maturity of three months or less.

Grants and Other Receivables

Grants receivable are funds due from granting agencies. Other receivables include fundraising and other similar receivables. They are considered fully collectible; accordingly, no reserve was determined to be necessary.

Fixed Assets

The Organization capitalizes all assets purchased or donated with a value over \$2,500. Purchased fixed assets are capitalized at historical cost. Donated fixed assets are capitalized and recorded as contributions at their estimated net realizable value. Such donations are recorded as unrestricted unless the donor has restricted the donated asset to a specific purpose. Maintenance and repairs are expensed when incurred, while betterments are capitalized and depreciated. Depreciation is recognized using the straight-line method over the useful lives of the assets, which ranges from 5-10 years.

Leases

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), which supersedes existing guidance for accounting for leases under *Topic 840, Leases*. The FASB also subsequently issued the following additional ASUs, which amend and clarify *Topic 842*: ASU 2018-01, *Land Easement Practical Expedient for Transition to Topic 842*; ASU 2018-10, *Codification Improvements to Topic 842, Leases*; ASU 2018-11, *Leases (Topic 842): Targeted Improvements*; ASU 2018-20, *Narrow-scope Improvements for Lessors*; and ASU 2019-01, *Leases (Topic 842): Codification Improvements*; ASU 2020-05, *Leases (Topic 842): Lessors—Certain Leases with Variable Lease Payments*; and ASU 2021-09, *Leases (Topic 842): Discount Rate for Lessees That Are Not Public Business Entities*. The most significant change in the new leasing guidance is the requirement to recognize right-to-use (ROU) assets and lease liabilities for operating leases on the statement of financial position.

CHILD ADVOCATES OF PLACER COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Leases

The Company determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (ROU) assets – operating and lease liability – operating, and finance leases are included in right-of-use (ROU) assets – financing and lease liability – financing in the balance sheet.

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Organization has elected to use the Treasury Bill rate from the treasury department as the discount rate determined using a period comparable with that of the lease term for computing the present value of all lease liabilities.

Grant Advance

The grant advance of \$146,840 represents advances from California CASA and Kaiser for cost-reimbursable grants that end in the following year. See revenue recognition description above for more information.

Use of Estimates

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

NOTE 3: FINANCIAL INSTRUMENTS AND CREDIT RISK

The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts, nor does the Organization believe it is exposed to any significant credit risk on cash deposits.

CHILD ADVOCATES OF PLACER COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4: FAIR VALUE MEASUREMENTS OF INVESTMENTS

The Organization measures its assets and liabilities at fair value in accordance with the Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification. This guidance defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and establishes a framework for measuring fair value.

The Fair Value Measurements Topic of the Financial Accounting Standards Board Codification establishes a framework for measuring fair value under U.S. Generally Accepted Accounting Principles (GAAP). The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair 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 the Fair Value Measurements Topic are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization 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 the valuation methodology are unobservable and significant to the fair value of measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level 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.

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

CHILD ADVOCATES OF PLACER COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4: FAIR VALUE MEASUREMENTS OF INVESTMENTS - continued

Fair value for Level 1 is based upon quoted market prices. Inputs are obtained from various sources including market participants, dealers, brokers, and financial institutions.

Fair value for Level 2 is based upon quoted process for similar assets or liabilities in active markets, quoted process for identical or similar assets in markets that are not active and inputs other than quoted process (ex: interest rates and yield curves).

Fair values of assets measured at June 30, 2024 consisted of the following:

<i>Description</i>	<i>Total</i>	<u>Fair Value Measurements Using:</u>	
		<u>Quoted Prices in Active Markets</u> <u>for Identical Assets (Level 1)</u>	<u>Other Observable Inputs</u> <u>(Level 2)</u>
Equity Securities	\$ 632,690	\$ 632,690	
Certificates of Deposit	\$ 500,858		\$ 500,858

At June 30, 2024 there were no Level 3 financial investments.

NOTE 5: FIXED ASSETS

Fixed assets and changes in fixed assets are summarized as follows:

	<u>June 30, 2023</u>	<u>Additions</u>	<u>Disposals</u>	<u>June 30, 2024</u>
Office Furniture and Equipment	52,863	\$ 3,052	\$ (850)	55,065
Less Accumulated Depreciation	<u>(33,226)</u>	<u>(6,073)</u>	<u>680</u>	<u>(38,619)</u>
Total Fixed Assets	<u>\$ 19,637</u>	<u>\$ (3,021)</u>	<u>\$ (170)</u>	<u>\$ 16,446</u>

Depreciation expense for the fiscal year ended June 30, 2024 was \$6,073.

NOTE 6: LEASE AND COMMITMENTS

For the year ended June 30, 2024, the Organization implemented FASB Topic 842, Leases. It establishes requirements for lease accounting based on the principle that leases are financing of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset.

The Organization signed a lease for office space dated February 19, 2021 which commenced on April 1, 2021. The term of the lease is sixty (60) months and ends March 31, 2026. In June 2021, The Organization signed an amendment to the original lease, adding more office space but not altering the terms of the lease. The Organization also signed a lease for additional office space in Marysville, CA for an expansion of the Organizations programs into Yuba County. The lease dated August 2, 2023 commenced on September 1, 2023. The term of the lease was twelve (12) months that ended on August 31, 2024 before the Organization signed an extension moving the end of the lease to August 31, 2025.

NOTE 6: LEASE AND COMMITMENTS – continued

The lease does not have a stated interest rates so the Organization used the T Bill rate from the Treasury Department.

The terms of the lease are as follows:

Period	Rent per Month
April 1, 2023 – March 31, 2024	\$10,672
April 1, 2024 – March 31, 2025	See Note 1 below (\$10,969)
April 1, 2025 – March 31, 2026	See Note 1 below (\$11,265)

Note 1: The rent shall be increased by 2.85% for the previous 12 months.

The lease agreement is summarized as follows:

Describe	Date	Payment Terms	Payment Amount	Interest Rate	Total Lease Liability	Balance June 30, 2024
Office Bldg.	4/1/2021	4 years 11 months	Variable see above	2.85%	\$463,237	\$ 228,403

Total operating lease costs for the year ended June 30, 2024 was \$145,424.

Annual requirements to amortize the operating lease are as follows:

<u>Year ending June 30</u>	<u>Totals</u>
2025	\$ 132,513
2026	101,386
Thereafter	-
Undiscounted cash flow	233,899
(Less) Imputed interest	(5,496)
Total present value	<u>\$ 228,403</u>
Short-term lease liability	\$ 127,972
Long-term lease liability	100,431
	<u>\$ 228,403</u>

NOTE 7: GRANT ADVANCES

The following table provides information about significant changes in the grant advances for the year ended June 30, 2024:

<u>Grant Advances</u>	<u>Beginning</u>	<u>Received</u>	<u>Revenue Recognized</u>	<u>Ending</u>
Kaiser Grant	25,000	25,000	(25,000)	25,000
US Bank Foundation	10,000	-	(10,000)	-
California CASA Association	97,483	121,840	(97,483)	121,840
TOTAL	<u>\$132,483</u>	<u>\$146,840</u>	<u>\$(132,483)</u>	<u>\$146,840</u>

NOTE 8: NET ASSETS WITH DONOR RESTRICTIONS AND DESIGNATIONS

Net assets with donor restrictions and board designations consisted of two income activities:

1. Restricted contributions for the purpose of funding extra-curricular activities for foster and former foster youth. At June 30, 2024, the Organization had no restricted contributions remaining that had not been expended for this purpose.
2. An endowment investment held by the Placer Community Foundation (PCF). The endowment is carried at fair market value on the Statement of Financial Position. At June 30, 2024 the fair market value was \$45,018, of which, \$12,556 was available for distribution.
 - The original principal of \$25,000 was contributed by the Organization and is held in perpetuity by the PCF. This portion plus the available for distribution amount on the account are not considered “with donor restrictions” but rather are reported as funds designated by the board.
 - Donors can make contributions directly to this fund through the PCF. These donations are restricted in perpetuity and totaled \$7,462 of the total endowment balance at June 30, 2024.

At June 30, 2024 the fair market value and investment activity of the endowment investment were as follows:

Balance at June 30, 2023	\$ 40,680
Investment earnings	4,664
Administrative fees	<u>(326)</u>
Balance at June 30, 2024	<u>\$ 45,018</u>

NOTE 9: CONTRIBUTIONS AND IN-KIND SERVICES

The Organization reports gifts of cash and other assets as restricted support if they are pledged or received with donor stipulations that limit the use of the donation. When a donor restriction expires, that is when a stipulated time ends or purpose restriction is accomplished, with donor restrictions net assets are reclassified as without donor

restrictions and reported in the statement of activities as net assets released from restrictions.

During the year ended June 30, 2024, volunteer hours were provided for program, administration and fund-raising services but were not recognized as contributions in the financial statements as they did not meet the criteria of FASB statement on *Revenue Recognition for Not-for-Profit Entities*.

Volunteers for the organization donate significant hours towards various Child Advocates programs, and assist with administration and fundraising. These hours totaled 16,064 and would be the equivalent of \$599,508 at the Independent Sector's California rate for the year 2022 of \$37.32 per hour.

NOTE 10: FUNCTIONAL EXPENSES

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the following basis:

- Personnel expenses are allocated on the basis of time and effort.
- Building and occupancy costs are allocated on the basis of square footage
- Depreciation is allocated based on usage of assets.

NOTE 11 – LIQUIDITY

The Organization relies primarily on grants and contracts as well as public support to provide cash flow for operations. Working capital varies during the year based on the timing of irregular receipt of grants and contracts, fundraising events, and other factors with a concentration of cash received.

The Organization's financial assets available for general expenditures within one year from June 30, 2024:

Cash and cash equivalents	\$ 128,706
Investments	1,133,548
Grants Receivable	105,093
Total	<u>\$ 1,367,347</u>

NOTE 12: RELATED PARTY TRANSACTIONS

The Organization engaged a Certified Public Accounting firm to do bookkeeping. The Board Treasurer was also employed by the same Certified Public Accounting firm. The fees for the accounting firm for the year ended June 30, 2024 were \$31,696.

NOTE 13: TAX POSITIONS

The Organization has 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. The Organization has analyzed the tax positions taken in its filings with the Internal Revenue Service and state jurisdictions where it operates.

The Organization believes that its income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Organization's financial condition, results of operations or cash flows. Accordingly, the Organization has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at June 30, 2024.

The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to income tax examinations for years prior to June 30, 2018.

NOTE 14: SUBSEQUENT EVENTS

Events subsequent to June 30, 2024 have been evaluated through March 31, 2025, the date at which the Organization's audited financial statements were available to be issued. The following event requires disclosure:

P.O. Box 160
Lincoln, CA 95648
Office (916) 434-1662
Fax (916) 434-1090

**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**

Independent Auditor's Report

To the Board of Directors
Child Advocates of Placer County
Auburn, 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 Child Advocates of Placer County (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 31, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Child Advocates of Placer County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Child Advocates of Placer County's internal control. Accordingly, we do not express an opinion on the effectiveness of Child Advocates of Placer County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Child Advocates of Placer County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Jensen Smith
Certified Public Accountants, Inc.
Lincoln, California
March 31, 2025