
SAN FRANCISCO CASA

FINANCIAL STATEMENTS

June 30, 2023

(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2022)

CROSBY & KANEDA

Certified Public Accountants
for Nonprofit Organizations

SAN FRANCISCO CASA

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
San Francisco CASA
San Francisco, California

Opinion

We have audited the accompanying financial statements of San Francisco CASA (the Organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, cash flows and functional expenses, for the year then ended, and the related notes to the financial statements. In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of San Francisco CASA as of June 30, 2023, and the changes in 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. 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 the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, 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, 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 the Organization'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 the Organization'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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 10, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Crosby + Kaneda CPAs LLP

Oakland, California

March 26, 2024

SAN FRANCISCO CASA

Statement of Financial Position
June 30, 2023
(With Comparative Totals as of June 30, 2022)

	<u>2023</u>	<u>2022</u>
Assets		
Assets		
Cash and cash equivalents	\$ 1,263,552	\$ 2,610,584
Investments (Note 3)	3,881,460	2,203,185
Accounts receivable	311,843	160,687
Contributions receivable	34,504	134,048
Prepaid expenses, deposits and other assets	91,598	24,858
Total Assets	<u>\$ 5,582,957</u>	<u>\$ 5,133,362</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 154,011	\$ 140,441
Accrued vacation	70,390	71,872
Total Liabilities	<u>224,401</u>	<u>212,313</u>
Net Assets		
Without donor restrictions (Note 7)	3,672,414	3,251,717
With donor restrictions (Note 8)	1,686,142	1,669,332
Total Net Assets	<u>5,358,556</u>	<u>4,921,049</u>
Total Liabilities and Net Assets	<u>\$ 5,582,957</u>	<u>\$ 5,133,362</u>

See Notes to the Financial Statements

SAN FRANCISCO CASA

**Statement of Activities
For the Year Ended June 30, 2023
(With Comparative Totals for the Year Ended June 30, 2022)**

	Without Donor	With Donor	Total	
	Restrictions	Restrictions	2023	2022
Support and Revenue				
Support				
Individual and community	\$ 34,871	\$ 555,790	\$ 590,661	\$ 1,108,619
Government	981,117		981,117	728,711
Foundation	566,021	10,000	576,021	566,000
Corporate and other	91,013		91,013	93,868
Special events, net (Note 9)	1,113,959		1,113,959	883,127
Total Support	<u>2,786,981</u>	<u>565,790</u>	<u>3,352,771</u>	<u>3,380,325</u>
Revenue				
Interest & investment activity	216,968		216,968	(283,541)
Other	4,617		4,617	5,027
Total Revenue	<u>221,585</u>	<u>-</u>	<u>221,585</u>	<u>(278,514)</u>
Support provided by expiring time and purpose restrictions	548,980	(548,980)	-	-
Total Support and Revenue	<u>3,557,546</u>	<u>16,810</u>	<u>3,574,356</u>	<u>3,101,811</u>
Expenses				
Program	2,216,666		2,216,666	2,136,896
Management and general	476,277		476,277	280,968
Fundraising	443,906		443,906	272,508
Total Expenses	<u>3,136,849</u>	<u>-</u>	<u>3,136,849</u>	<u>2,690,372</u>
Change in Net Assets	420,697	16,810	437,507	411,439
Net Assets, beginning of year	<u>3,251,717</u>	<u>1,669,332</u>	<u>4,921,049</u>	<u>4,509,610</u>
Net Assets, end of year	<u>\$ 3,672,414</u>	<u>\$ 1,686,142</u>	<u>\$ 5,358,556</u>	<u>\$ 4,921,049</u>

See Notes to the Financial Statements

SAN FRANCISCO CASA

**Statement of Cash Flows
For the Year Ended June 30, 2023
(With Comparative Totals for the Year Ended June 30, 2022)**

	2023	2022
Cash flows from operating activities:		
Change in net assets	\$ 437,507	\$ 411,439
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:		
Depreciation	-	17,659
Investment activity, net	(210,631)	283,541
Change in assets and liabilities:		
Accounts receivable	(151,156)	45,430
Contributions receivable	99,544	(104,665)
Prepaid expenses, deposits, and other assets	(66,740)	50,861
Accounts payable and accrued expenses	13,570	94,681
Accrued vacation	(1,482)	(5,029)
Net cash provided (used) by operating activities	120,612	793,917
Cash flows from investing activities:		
Proceeds from investments	32,356	270,065
Purchases of investments	(1,500,000)	(2,000,000)
Net cash provided (used) by investing activities	(1,467,644)	(1,729,935)
Net change in cash and cash equivalents	(1,347,032)	(936,018)
Cash and cash equivalents, beginning of year	2,610,584	3,546,602
Cash and cash equivalents, end of year	\$ 1,263,552	\$ 2,610,584

See Notes to the Financial Statements

SAN FRANCISCO CASA

**Statement of Functional Expenses
For the Year Ended June 30, 2023
(With Comparative Totals for the Year Ended June 30, 2022)**

	Program	Management and General	Fundraising	Total	
				2023	2022
Salaries	\$ 1,339,808	\$ 302,993	\$ 288,292	\$ 1,931,093	\$ 1,549,982
Retirement	5,656	10,443	5,020	21,119	-
Employee benefits	110,558	23,269	22,296	156,123	130,966
Payroll taxes	108,891	22,014	22,974	153,879	121,889
Total Personnel	<u>1,564,913</u>	<u>358,719</u>	<u>338,582</u>	<u>2,262,214</u>	<u>1,802,837</u>
Grants	85,176	-	-	85,176	-
Professional fees	89,821	39,871	10,161	139,853	141,879
Advertising and promotion	212,967	30,282	605	243,854	335,918
Occupancy	99,377	20,293	-	119,670	125,424
Informational technology	29,312	7,834	21,431	58,577	11,821
Travel and meals	2,578	260	373	3,211	8,290
Postage, printing and copying	4,261	-	17,619	21,880	18,663
Supplies and office expenses	12,600	8,109	20,878	41,587	64,218
Conferences and meetings	16,722	2,978	1,077	20,777	37,624
Interest	-	325	-	325	-
Dues, subscriptions, and licenses	2,148	148	1,460	3,756	23,490
Insurance	8,753	3,418	-	12,171	8,393
Depreciation	-	-	-	-	17,659
Youth activities and supplies	40,037	2,282	-	42,319	37,748
Background clearance	12,396	-	-	12,396	15,540
Event expense	26,365	10	31,160	57,535	29,621
Other expenses	9,240	1,748	560	11,548	11,247
Expenses by function	<u>\$ 2,216,666</u>	<u>\$ 476,277</u>	<u>\$ 443,906</u>	<u>\$ 3,136,849</u>	<u>\$ 2,690,372</u>
Expenses reported on a net basis on Statement of Activities					
Event expenses - food and other	-	-	157,689	157,689	113,607
Total Expenses	<u>\$ 2,216,666</u>	<u>\$ 476,277</u>	<u>\$ 601,595</u>	<u>\$ 3,294,538</u>	<u>\$ 2,803,979</u>

See Notes to the Financial Statements

SAN FRANCISCO CASA

Notes to the Financial Statements For the Year Ended June 30, 2023 (With Comparative Totals for the Year Ended June 30, 2022)

NOTE 1: NATURE OF ACTIVITIES

San Francisco CASA (SFCASA or the Organization) is a non-profit organization that was established to transform the lives of systems-involved and other vulnerable children, young adults, and their families by providing consistent, caring volunteer advocates trained to address each child's needs in the court and the community.

The Organization receives funding from foundation grants, private contributions, special events, and government contracts.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Net Assets

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Net assets without donor restrictions – are resources available to support operations. The only limits on the use of the net assets are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

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

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of building or equipment (or less commonly, the contribution of those net assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the Organization, unless the donor provides more specific directions about the period of its use.

Accounting for Revenue

The Organization recognizes revenue as performance obligations are satisfied.

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Notes to the Financial Statements For the Year Ended June 30, 2023 (With Comparative Totals for the Year Ended June 30, 2022)

Revenue is recognized over time for cost reimbursement contracts as eligible expenses are incurred if other conditions of the contract are satisfied. Revenue from agreements that include milestones and milestone payments are recognized over time as milestones are reached. Revenue from agreements based on hourly rates are recognized over time as time is expended if the Organization expects it will have an enforceable right to payment for such amounts. Revenue is recognized based on estimated progress towards complete satisfaction of the performance obligation if the Organization can reasonably measure such progress. If the Organization's efforts are expended evenly throughout the performance period, the Organization may recognize revenue on a straight-line basis over such a period.

Revenue is recognized at a point in time when goods or services are provided to customers and the Organization is not required to provide additional goods or services or if the above criteria are not met.

The Organization tracks contract assets representing earned amounts that are not yet receivable separately from accounts receivable, if any. As a practical expedient the Organization disregards the effects of potential financing components if the period between payment and performance is one year or less.

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the donor specified the use of the related resources for a particular purpose or in a future period.

Accounting for Contributions

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless the contributed assets are specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as restricted until payment is due, unless the contribution is clearly intended to support activities of the current fiscal year. Conditional promises are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

Government

Government grants are recognized when the qualifying costs are incurred for cost-reimbursement grants or contracts or when a unit of service is provided for performance grants.

Accounts Receivable

Accounts receivable are primarily unsecured non-interest-bearing amounts due from government funders on cost reimbursement agreements. The Organization considers all accounts receivable to be fully collectible at June 30, 2023. Accordingly, no allowance for doubtful accounts was deemed necessary. If amounts become uncollectible, they are charged to expense in the period in which that determination is made.

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Notes to the Financial Statements For the Year Ended June 30, 2023 (With Comparative Totals for the Year Ended June 30, 2022)

Income Taxes

The Internal Revenue Service and the California Franchise Tax Board have determined that the Organization is exempt from federal and state income taxes under IRC 501(c)(3) and California RTC 23701(d). The Organization has evaluated its current tax positions as of June 30, 2023, and is not aware of any significant uncertain tax positions for which a reserve would be necessary. The Organization's tax returns are generally subject to examination by federal and state taxing authorities for three and four years, respectively, after they are filed.

Contributed Services

Contributed services are reflected in the financial statements at the fair value of the services received only if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. There were no contributed services meeting these criteria for the year ended June 30, 2023.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash Equivalents

The Organization considers money market funds and other highly liquid investments with original maturities of three months or less when purchased that are held in operating accounts to be cash equivalents. Funds held in investment accounts for investment purposes are classified with investments. For statement of cash flow purposes, purchases of investments consist of additions to the Organization's investment accounts and proceeds from investments consist of withdrawals to the Organization's operating accounts.

Property and Equipment

All acquisitions of property and equipment in excess of \$2,500 and all expenditures for repairs and maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are stated at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives on the property and equipment. The Organization had no property and equipment that met this capitalization policy at June 30, 2023.

Expense Recognition and Allocation

The cost of providing the Organization's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been

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Notes to the Financial Statements For the Year Ended June 30, 2023 (With Comparative Totals for the Year Ended June 30, 2022)

allocated among the various functions using a reasonable allocation method that is consistently applied as follows:

Salaries and wages, benefits, and payroll taxes are allocated based on timesheets prepared by all employees every pay period that are signed by the employee and approved by the employee's supervisor. Certain operations staff may allocate time to a shared cost pool which is then allocated on a pro-rata basis to the major functional expense categories.

Occupancy and depreciation are allocated based on the programs and supporting activities occupying the space, using staff allocations from timesheets.

Office expenses and supplies, insurance, and other expenses that cannot be directly identified are allocated on the basis of staff allocations for each program and supporting activity.

Management and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The Organization generally does not conduct fundraising activities in conjunction with its other activities.

All expenses and net losses are reported as decreases in net assets without donor restrictions.

Prior Year Summarized 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 GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

Reclassifications

Certain accounts in the prior year's summarized information have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

Subsequent Events

The Organization has evaluated subsequent events and has concluded that as of March 26, 2024, the date that the financial statements were available to be issued, there were no significant subsequent events to disclose.

NOTE 3: INVESTMENTS

Investments consisted of the following as of June 30:

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Notes to the Financial Statements For the Year Ended June 30, 2023 (With Comparative Totals for the Year Ended June 30, 2022)

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 16,732	\$ 259,114
Certificates of deposit	1,601,380	245,080
Exchange-traded funds	<u>2,263,348</u>	<u>1,698,991</u>
Total	<u>\$ 3,881,460</u>	<u>\$ 2,203,185</u>

Investment Income

Investment income consisted of the following for the year ended June 30, 2023

Interest and dividends	\$ 45,547
Unrealized and realized gains (losses)	<u>171,421</u>
Total	<u>\$ 216,968</u>

NOTE 4: FAIR VALUE MEASUREMENTS

The Organization determines the fair values of its assets and liabilities based on a fair value hierarchy that includes three levels of inputs that may be used to measure fair value.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

Level 2 - Inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly.

Level 3 - Unobservable inputs for the assets or liability.

Investments were valued at fair value based on the following inputs as of June 30, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Cash and cash equivalents	\$ 16,732	\$ -	\$ 16,732
Certificates of deposit	-	1,601,380	1,601,380
US bond fund	682,712	-	682,712
Equity funds – domestic	1,163,610	-	1,163,610
Equity fund – foreign	<u>417,026</u>	<u>-</u>	<u>417,026</u>
Total	<u>\$ 2,280,080</u>	<u>\$ 1,601,380</u>	<u>\$ 3,881,460</u>

NOTE 5: CONTINGENCIES

Government Funding

Government funding may be subject to independent review by grantor agencies. These reviews could result in the disallowance of expenditures under the terms of the grant or reductions of future grant funds. Based on prior experience, the organization's management believes that costs ultimately disallowed, if any, would not materially affect the financial position of the organization.

NOTE 6: CONCENTRATIONS

Concentration of Credit Risk

At times, the Organization may have deposits in excess of federally insured limits.

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**Notes to the Financial Statements
For the Year Ended June 30, 2023
(With Comparative Totals for the Year Ended June 30, 2022)**

Support

The Organization received approximately 11% of its support from three donors during the year ended June 30, 2023.

Government

The Organization receives its government funding from three funders (State of California, the Judicial Council and the City and County of San Francisco). A significant reduction in this funding may have an impact on the Organization's programs.

NOTE 7: NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions were available as follows as of June 30:

	<u>2023</u>	<u>2022</u>
Designated - Growth campaign	\$ 175,000	\$ 175,000
Undesignated	<u>3,497,414</u>	<u>3,076,717</u>
Total	<u>\$ 3,672,414</u>	<u>\$ 3,251,717</u>

NOTE 8: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available as follows as of June 30:

	<u>2023</u>	<u>2022</u>
Growth campaign	\$ 362,686	\$ 362,686
Program expansion and recruitment	195,899	585,380
Training specialist and other programs	-	35,000
Restricted for future use	<u>1,127,557</u>	<u>686,266</u>
Total	<u>\$ 1,686,142</u>	<u>\$ 1,669,332</u>

NOTE 9: SPECIAL EVENTS

The Organization held a virtual fundraising event during the year. Activities related to the event were as follows during the years ended June 30:

	<u>2023</u>	<u>2022</u>
Admissions	\$ 49,250	\$ 130,550
Contributions and sponsorships	570,406	743,345
Fund a need	561,532	20,000
Auction receipts	90,460	102,839
Less costs of direct donor benefit	<u>(157,689)</u>	<u>(113,607)</u>
Total	<u>\$ 1,113,959</u>	<u>\$ 883,127</u>

NOTE 10: RETIREMENT PLAN

The Organization has a defined contribution retirement plan (the Plan) under section 403(b) of the Internal Revenue Code. The Plan covers all employees who meet age and length of service requirements. The Organization provides fully vested contributions of 3% of employee compensation to all the employees of who have worked for the Organization for

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**Notes to the Financial Statements
For the Year Ended June 30, 2023
(With Comparative Totals for the Year Ended June 30, 2022)**

more than one year. The Organization contributed \$21,119 and \$0 for the years ended June 30, 2023 and 2022, respectively.

NOTE 11: VOLUNTEER EFFORT

In addition to the financial activities reflected on the financial statements the Organization's work is supported by the substantial efforts of over 371 volunteer advocates who have completed the Organization's training program and been sworn in as officers of the San Francisco Unified Family Court.

NOTE 12: LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2023 are:

Cash	\$ 1,263,552
Investments	3,881,460
Accounts receivable	311,843
Contributions receivable	34,504
Less purpose restricted funds	(558,585)
Less board designated funds	<u>(175,000)</u>
Total	<u>\$ 4,757,774</u>

The above reflects board designated funds as unavailable because it is the Organization's intention to use those resources for the growth of the Organization. As part of the Organization's liquidity management plan, the Organization invests cash in excess of daily requirements in cash and certificates of deposit.