
SAN FRANCISCO COURT APPOINTED SPECIAL ADVOCATE PROGRAM

FINANCIAL STATEMENTS

June 30, 2017

CROSBY & KANEDA
Certified Public Accountants

Dedicated to Nonprofit Organizations

**SAN FRANCISCO COURT APPOINTED
SPECIAL ADVOCATE PROGRAM**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
San Francisco Court Appointed Special Advocate Program
San Francisco, California

Report on the Financial Statements

We have audited the accompanying financial statements of San Francisco Court Appointed Special Advocate Program, which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of San Francisco Court Appointed Special Advocate Program as of June 30, 2017, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Croody & Lameda CPAs LLP

Oakland, California

January 29, 2018

**SAN FRANCISCO COURT APPOINTED
SPECIAL ADVOCATE PROGRAM**

**Statement of Financial Position
June 30, 2017**

Assets

Current Assets	
Cash	\$ 1,177,570
Certificates of deposit (Note 3)	499,940
Accounts receivable, current (Note 5)	276,954
Prepaid expenses	48,633
Total Current Assets	<u>2,003,097</u>
Accounts receivable, noncurrent (Note 5)	42,218
Property and equipment, net (Note 4)	1,052
Deposits	4,730
Total Assets	<u>\$ 2,051,097</u>

Liabilities and Net Assets

Current Liabilities	
Accounts payable and accrued expenses	\$ 14,865
Accrued vacation	31,678
Total Liabilities	<u>46,543</u>
Commitments and Contingencies (Notes 6 and 7)	
Net Assets	
Unrestricted (Note 8)	953,341
Temporarily restricted (Note 9)	1,051,213
Total Net Assets	<u>2,004,554</u>
Total Liabilities and Net Assets	<u>\$ 2,051,097</u>

See Notes to the Financial Statements

**SAN FRANCISCO COURT APPOINTED
SPECIAL ADVOCATE PROGRAM**

**Statement of Activities
For the Year Ended June 30, 2017**

	Unrestricted	Temporarily Restricted	Total
Support and Revenue			
Support			
Foundation	\$ 187,300	\$ 280,000	\$ 467,300
Individual and community	293,315	111,200	404,515
Government	212,382		212,382
Corporate	131,386	50,000	181,386
Cy pres award (Note 13)	221,357		221,357
Special events, net (Note 10)	218,270	239,617	457,887
Total support	1,264,010	680,817	1,944,827
Revenue			
Interest	1,494		1,494
Total Revenue	1,494	-	1,494
Net assets released from donor restrictions (Note 9)	369,000	(369,000)	-
Total Support and Revenue	1,634,504	311,817	1,946,321
Expenses			
Program	945,441		945,441
Management and general	71,145		71,145
Fundraising	298,319		298,319
Total Expenses	1,314,905	-	1,314,905
Change in Net Assets	319,599	311,817	631,416
Net Assets, beginning of year	633,742	739,396	1,373,138
Net Assets, end of year	\$ 953,341	\$ 1,051,213	\$ 2,004,554

See Notes to the Financial Statements

**SAN FRANCISCO COURT APPOINTED
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**Statement of Cash Flows
For the Year Ended June 30, 2017**

Cash flows from operating activities:	
Change in net assets	\$ 631,416
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:	
Depreciation	1,053
Change in assets and liabilities:	
Accounts receivable	(156,931)
Prepaid expenses	(13,796)
Deposits	262
Accounts payable and accrued expenses	4,696
Accrued vacation	7,859
Net cash provided (used) by operating activities	<u>474,559</u>
Cash flows from investing activities:	
Purchases of certificates of deposit, net	<u>(499,940)</u>
Net cash provided (used) by investing activities	<u>(499,940)</u>
Net change in cash	(25,381)
Cash, beginning of year	<u>1,202,951</u>
Cash, end of year	<u><u>\$ 1,177,570</u></u>

**SAN FRANCISCO COURT APPOINTED
SPECIAL ADVOCATE PROGRAM**

**Statement of Functional Expenses
For the Year Ended June 30, 2017**

	Program	Management and General	Fundraising	Total
Salaries	\$ 656,703	\$ 40,503	\$ 201,590	\$ 898,796
Employee benefits	57,778	3,564	17,702	79,044
Payroll taxes	53,460	3,305	16,529	73,294
Total Personnel	<u>767,941</u>	<u>47,372</u>	<u>235,821</u>	<u>1,051,134</u>
Accounting	-	19,125	-	19,125
Professional fees	7,851	1,038	1,739	10,628
Advertising and promotion	33,422	-	1,311	34,733
Occupancy	50,523	1,692	10,966	63,181
Informational technology	8,870	297	1,925	11,092
Travel and meals	4,019	2	774	4,795
Postage, printing and copying	7,917	192	12,602	20,711
Supplies and office expenses	17,229	531	9,570	27,330
Bank fees	228	268	46	542
Conferences, conventions, meetings	8,370	232	2,169	10,771
Dues, subscriptions, and licenses	974	34	8,921	9,929
Insurance	6,813	214	1,385	8,412
Depreciation	842	28	183	1,053
Youth activity supplies	12,625	-	-	12,625
Background clearance	10,930	25	3	10,958
Program events	4,070	-	-	4,070
Miscellaneous	2,817	95	10,904	13,816
Total Expenses	<u>\$ 945,441</u>	<u>\$ 71,145</u>	<u>\$ 298,319</u>	<u>\$ 1,314,905</u>

**SAN FRANCISCO COURT APPOINTED
SPECIAL ADVOCATE PROGRAM**

**Notes to the Financial Statements
For the Year Ended June 30, 2017**

NOTE 1: NATURE OF ACTIVITIES

San Francisco Court Appointed Special Advocate Program (SFCASA or the Organization) is a non-profit organization that was established to train and support volunteers, appointed by the court, to serve as independent advocates for the best interests of abused and neglected children.

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).

Basis of Presentation

The Organization presents information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The three classes are differentiated by donor restrictions.

Unrestricted net assets – consist of resources which have not been specifically restricted by a donor. Unrestricted net assets may be designated for specific purposes by the Organization or may be limited by contractual agreements with outside parties.

Temporarily restricted net assets – represent contributions and other inflows of assets whose use is limited by donor-imposed stipulations that expire by the passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations.

Permanently restricted net assets – represent contributions and other inflows of assets whose use is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization, other asset enhancements and diminishments subject to the same kinds of stipulations or reclassifications from or to other classes of net assets as a consequence of donor-imposed stipulations. There were no permanently restricted net assets as of June 30, 2017.

Contributions

Contributions, including unconditional promises to give, are recognized as revenues in the period the promise is received. Conditional promises to give are not recognized until they become unconditional; that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value at the date of contribution. Contributions to be received after one year are discounted at an appropriate rate commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

**SAN FRANCISCO COURT APPOINTED
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**Notes to the Financial Statements
For the Year Ended June 30, 2017**

Unrestricted contributions and grants are recorded as unrestricted revenue when received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

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 Internal Revenue Code Section 501(c)(3) and the California Revenue and Taxation Code Section 23701(d). The Organization has evaluated its current tax positions as of June 30, 2017 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 this criteria for the year ended June 30, 2017.

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.

Concentration of Credit Risk

At times, the Organization may have deposits in excess of federally insured limits. The risk is managed by maintaining all deposits in high quality financial institutions.

Property and Equipment

Property and equipment purchased by the Organization is recorded at cost. The Organization capitalizes all expenditures for property and equipment over \$1,000; the fair value of donated fixed assets is similarly capitalized. Depreciation is computed using the straight-line method over the estimated useful lives on the property and equipment or the related lease terms as follows:

Leasehold improvements	5 years
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**SAN FRANCISCO COURT APPOINTED
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**Notes to the Financial Statements
For the Year Ended June 30, 2017**

Expenditures for major renewals and betterments that extend the useful lives of the property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. Management reviews long-lived assets for impairment when circumstances indicate the carrying amount of the asset may not be recoverable.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Subsequent Events

The Organization has evaluated subsequent events and has concluded that as of January 29, 2018, the date that the financial statements were available to be issued, there were no significant subsequent events to disclose.

NOTE 3: 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.

The Organization valued certificate of deposits using level 2 inputs as of June 30, 2017.

NOTE 4: PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 2017:

Leasehold improvements	\$ 5,262
Less accumulated depreciation	<u>(4,210)</u>
Total	<u>\$ 1,052</u>

NOTE 5: ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following as of June 30, 2017:

25th Anniversary and Gala pledges	\$ 102,432
Government, grant and other	226,007
Less: Noncurrent receivables (payment expected by June 30, 2019)	(42,218)
Less: Allowance for doubtful accounts	<u>(9,267)</u>
Total	<u>\$ 276,954</u>

**SAN FRANCISCO COURT APPOINTED
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**Notes to the Financial Statements
For the Year Ended June 30, 2017**

NOTE 6: COMMITMENTS

The Organization leases office equipment with various terms through September 2019. Future minimum lease payments were as follows for the years ended June 30:

2018	\$ 3,402
2019	3,402
2020	<u>567</u>
Total	<u>\$ 7,371</u>

NOTE 7: CONTINGENCIES

Grant awards require the fulfillment of certain conditions as set forth in the instrument of grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. The Organization deems this contingency remote since by accepting the grants and their terms, it has accommodated the objectives of the Organization to the provisions of the grants. The Organization's management is of the opinion that the Organization has complied with the terms of all grants.

NOTE 8: UNRESTRICTED NET ASSETS

Board designated for 25 th anniversary growth campaign	\$ 175,000
Undesignated	<u>778,341</u>
Total	<u>\$ 953,341</u>

NOTE 9: TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets available as of June 30, 2017, were as follows:

Educational Advocacy	\$ 50,000
25 th Anniversary growth campaign	177,200
Training program	355,000
Future operations	<u>469,013</u>
Total	<u>\$ 1,051,213</u>

Temporarily restricted net assets were released from donor restriction by incurring expenses satisfying the purposes specified by donors as follows during the year ended June 30, 2017:

Educational Advocacy	\$ 55,000
25 th Anniversary growth campaign	40,000
LGBTQ	20,000
Training program	25,000
Sunshine	4,000
Expiration of time restrictions	<u>225,000</u>
Total	<u>\$ 369,000</u>

**SAN FRANCISCO COURT APPOINTED
SPECIAL ADVOCATE PROGRAM**

**Notes to the Financial Statements
For the Year Ended June 30, 2017**

NOTE 10: SPECIAL EVENTS

The Organization held three special events during the year. Activity related to the events was as follows during the year ended June 30, 2017:

Admission	\$ 53,326
Donations and sponsorships	206,200
Fund-a-need	239,617
Auction proceeds - donated items	51,325
Raffle	7,525
Less: Costs of direct donor benefit	<u>(100,106)</u>
Total	<u>\$ 457,887</u>

NOTE 11: LINE OF CREDIT

The Organization maintains a \$200,000 line of credit bearing interest at a variable rate. There was no balance on the line of credit as of June 30, 2017.

NOTE 12: 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 275 volunteer advocates who have completed the Organization's training program and been sworn in as officers of the San Francisco Juvenile dependency court.

NOTE 13: CY PRES AWARD

A cy pres award is the distribution of money from a class action settlement to an unrelated charitable organization. Cy pres award support is presented separately from other support because it is unsolicited and unpredictable in nature.