

CASA EL DORADO

**AUDITED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT**

JUNE 30, 2024 AND 2023

CASA EL DORADO

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors,
CASA El Dorado**

Opinion

We have audited the accompanying financial statements of CASA El Dorado (a nonprofit organization) which comprise the statements of financial position as of June 30, 2024 and 2023 and the related statements of activities, functional expenses, and cash flows for the years 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 CASA El Dorado as of June 30, 2024 and 2023, 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.

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 CASA El Dorado 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 these 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 CASA El Dorado'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 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 CASA El Dorado'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 CASA El Dorado'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.

Sacramento, California
December 16, 2024

CASA EL DORADO

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2024 AND 2023

	2024	2023
ASSETS		
Cash and cash equivalents	\$ 251,715	\$ 724,617
Receivables		
Grants	148,417	59,292
Investments	1,157,013	460,058
Furniture and equipment, less accumulated depreciation of \$7,119 in 2024 and \$6,517 in 2023	1,507	2,109
Right-of-use asset	-	18,628
	<hr/> TOTAL ASSETS	<hr/> \$ 1,558,652
	<hr/> \$ 1,558,652	<hr/> \$ 1,264,704
LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	\$ 46,702	\$ 43,140
Right-of-use liability	<hr/> -	<hr/> 18,628
	<hr/> TOTAL LIABILITIES	<hr/> 46,702 - 61,768
NET ASSETS		
Without donor restrictions	1,491,199	1,198,796
With donor restrictions	20,751	4,140
	<hr/> TOTAL NET ASSETS	<hr/> 1,511,950 1,202,936
	<hr/> \$ 1,558,652	<hr/> \$ 1,264,704

See accompanying notes to the financial statements.

CASA EL DORADO
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	June 30, 2024			June 30, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE						
Grants and contributions	\$ 229,925	\$ 23,596	\$ 253,521	\$ 233,750	\$ 7,408	\$ 241,158
Governmental contracts	544,839	-	544,839	577,533	-	577,533
Special events, less direct costs of \$69,207 in 2024 and \$52,228 in 2023	291,746	-	291,746	238,684	-	238,684
Advocacy in-kind	201,954	-	201,954	199,778	-	199,778
Investment income	65,331	-	65,331	50,654	-	50,654
Net assets released from restrictions:	6,985	(6,985)	-	3,951	(3,951)	-
TOTAL PUBLIC SUPPORT AND REVENUE	1,340,780	16,611	1,357,391	1,304,350	3,457	1,307,807
EXPENSES						
Programs	870,607	-	870,607	751,035	-	751,035
General and administrative	77,636	-	77,636	63,443	-	63,443
Fundraising	100,134	-	100,134	83,639	-	83,639
TOTAL EXPENSES	1,048,377	-	1,048,377	898,117	-	898,117
CHANGE IN NET ASSETS	292,403	16,611	309,014	406,233	3,457	409,690
NET ASSETS AT BEGINNING OF YEAR	1,198,796	4,140	1,202,936	792,563	683	793,246
NET ASSETS AT END OF YEAR	\$ 1,491,199	\$ 20,751	\$ 1,511,950	\$ 1,198,796	\$ 4,140	\$ 1,202,936

See accompanying notes to the financial statements.

CASA EL DORADO

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	June 30, 2024				June 30, 2023			
	General and				General and			
	Programs	Administrative	Fundraising	Total	Programs	Administrative	Fundraising	Total
Salaries	\$ 441,043	\$ 55,168	\$ 64,158	\$ 560,369	\$ 353,827	\$ 44,259	\$ 51,471	\$ 449,557
Payroll taxes	36,563	4,628	5,092	46,283	30,379	3,845	4,231	38,455
Employee benefits	56,598	7,169	7,882	71,649	41,711	5,283	5,809	52,803
TOTAL SALARIES AND RELATED EXPENSES	534,204	66,965	77,132	678,301	425,917	53,387	61,511	540,815
Advocacy - In kind	206,616	-	-	206,616	201,357	-	-	201,357
Office expense	39,176	4,311	5,457	48,944	32,551	3,582	4,534	40,667
Advocacy support expenses	939	-	-	939	1,798	-	-	1,798
Occupancy	26,440	3,347	3,682	33,469	25,993	3,290	3,620	32,903
Training and recognition	23,101	1,214	6,079	30,394	18,156	954	4,778	23,888
Legal and professional	13,617	-	-	13,617	13,589	-	-	13,589
Insurance	9,652	-	-	9,652	7,588	-	-	7,588
Telephone	5,188	658	720	6,566	4,395	557	610	5,562
Travel	3,912	219	219	4,350	10,733	602	602	11,937
Postage and printing	7,190	892	6,845	14,927	8,386	1,041	7,984	17,411
Depreciation	572	30	-	602	572	30	-	602
TOTAL EXPENSES	\$ 870,607	\$ 77,636	\$ 100,134	\$ 1,048,377	\$ 751,035	\$ 63,443	\$ 83,639	\$ 898,117

See accompanying notes to the financial statements.

CASA EL DORADO

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 309,014	\$ 409,690
<i>Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:</i>		
Depreciation	602	602
Net realized and unrealized loss (gain) on investments	(66,845)	(47,060)
<i>Changes in operating assets and liabilities:</i>		
Receivables	(89,125)	(10,482)
Accounts payable and accrued expenses	<u>3,562</u>	<u>8,539</u>
	<u>(151,806)</u>	<u>(48,401)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	157,208	361,289
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(675,978)	(450,457)
Proceeds from sale of investments	<u>45,868</u>	<u>407,111</u>
NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES	(630,110)	(43,346)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(472,902)	317,943
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>724,617</u>	<u>406,674</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 251,715</u>	<u>\$ 724,617</u>

See accompanying notes to the financial statements.

CASA EL DORADO

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

NOTE A - ORGANIZATION

CASA El Dorado (Court Appointed Special Advocates or “CASA”), founded in 1993, is a nonprofit corporation established for the purpose of recruiting, screening, training and supervising volunteers to represent the non-legal interest of children under the jurisdiction of the County of El Dorado. CASA encourages the increased community interest on the needs of these children to the general public as well as those persons, offices, agencies and institutions who provide services to abused, abandoned or neglected children and their families. Revenue sources include grants from county courts, contributions from the general public and various fundraising activities.

NOTE B - SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: The financial statements of CASA have been prepared in accordance with U.S. generally accepted accounting principles (“US GAAP”), which require CASA to report information regarding its financial position and activities according to the following net asset classifications:

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. These net assets may be used at the discretion of CASA’s management and the board of directors.

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

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are re-classified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Cash and Cash Equivalents: For purposes of the statement of cash flows, CASA considers all short-term, highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Receivables: Receivables consist of expenditures under grants for which reimbursement has been requested but not yet received and contributions owed to CASA. Management considers grants and contributions receivable to be fully collectible; therefore, no allowance for doubtful accounts is deemed necessary. If amounts become uncollectible, they will be charged to operations when that determination is made.

Furniture and Equipment: CASA capitalizes purchases of furniture and equipment in excess of \$3,000. Furniture and equipment are stated at cost or, if donated, at the approximate fair value as of the date of donation. Depreciation is computed using the straight-line method over estimated useful lives of 5 to 7 years.

CASA EL DORADO

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

NOTE B - SIGNIFICANT ACCOUNTING POLICIES – Continued

Revenue Recognition: CASA records contributions as with or without donor restrictions, depending on the existence or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in without donor restrictions net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted support is reported as an increase in with donor restrictions 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), with donor restrictions net assets are reclassified to without donor restrictions net assets and reported in the statement of activities as net assets released from restrictions.

Revenues from grants and contracts are recognized primarily when qualifying expenditures are incurred or services are rendered.

Donated Services and Facilities: Donated services and facilities are recognized as public support and as a corresponding expense at the estimated fair value on the date donated. Donated services and facilities are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with these skills, and would otherwise be purchased by CASA.

Functional Allocation of Expenses: Expenses that can be identified with a specific program or supporting service are charged directly to the related program or service. Expenses associated with more than one program or supporting service are allocated to functional categories using allocation methods appropriate to the nature of the expense.

Fair Value: CASA applies fair value accounting to all financial assets and liabilities and non-financial assets and liabilities that are recognized and disclosed at fair value in the financial statements on a recurring basis. Fair value is defined as the price that would be received from selling an asset or what would be paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy that prioritizes observable and unobservable inputs is used to measure fair value into three broad levels, as follows:

Level 1 uses unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities

Level 2 uses inputs other than quoted prices in active markets that are observable either directly or indirectly.

Level 3 uses unobservable information with little or no market data.

Income Taxes: CASA El Dorado is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code for revenue generated from its exempt purpose activities.

CASA EL DORADO

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

NOTE B - SIGNIFICANT ACCOUNTING POLICIES – Continued

Uncertainty in Income Taxes: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires CASA to report information regarding its exposure to various tax positions taken. CASA has determined whether any tax positions have met the recognition threshold and have measured the exposure to those tax positions. Management believes that CASA has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal and state tax authorities generally have the right to examine and audit the previous three years of tax returns filed. Any interest or penalties assessed to CASA are recorded in operating expenses. No interest or penalties from federal or state tax authorities were recorded in the accompanying financial statements.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Recent Accounting Pronouncements: The adoption of new accounting guidance is not expected to have a material impact on the Organization's financial statements.

NOTE C – INVESTMENTS AND FAIR VALUE MEASUREMENTS

Investments are stated at fair value based on quoted prices in active markets and are comprised of the following as of June 30, 2024 and 2023:

	June 30, 2024			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments				
Cash and cash equivalents	\$ 298	\$ 298	\$	\$
Mutual funds	1,128,594	1,128,594		
Exchange traded funds	28,419	28,419		
	<u>\$ 1,157,311</u>	<u>\$ 1,157,311</u>	<u>\$ -</u>	<u>\$ -</u>

	June 30, 2023			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments				
Cash and cash equivalents	\$ 940	\$ 940	\$	\$
Mutual funds	420,847	420,847		
Exchange traded funds	39,211	39,211		
	<u>\$ 460,998</u>	<u>\$ 460,998</u>	<u>\$ -</u>	<u>\$ -</u>

CASA EL DORADO

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

NOTE C – INVESTMENTS AND FAIR VALUE MEASUREMENTS – Continued

Investment income consists of the following for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Interest and dividends	\$ 31,729	\$ 9,141
Unrealized gains (losses)	32,448	44,245
Realized gain	9,901	2,815
Advisory fees	<u>(8,747)</u>	<u>(5,547)</u>
	<u>\$ 65,331</u>	<u>\$ 50,654</u>

Mutual funds are selected to maximize risk-adjusted appreciation through diversification across multiple asset classes, including both active and indexed security selection. Asset classes include domestic stocks, international stocks, bonds, and other classes.

NOTE D - IN-KIND CONTRIBUTIONS

CASA's contract with the Judicial Council of California requires a matching contribution of volunteer hours equal to 100% of the contract amount. The contract provides an hourly rate to be used in calculating the match amount. CASA recognized \$201,954 and \$199,778 in volunteer hours pursuant to this contract in its financial statements for the years ended June 30, 2024 and 2023, respectively.

NOTE E - COMMITMENTS AND CONTINGENCIES

Office Leases: CASA leases its office facility under the terms of a noncancelable operating lease that expires on June 30, 2024. Rent expense under the office lease agreement amounted to \$19,800 for each of the years ended June 30, 2024 and 2023.

Government Grants and Contracts: CASA has received funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, management believes that any required reimbursements will not have a material adverse effect on its financial position.

CASA EL DORADO

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

NOTE F - NET ASSETS

CASA's board of directors has set aside a portion of without donor restrictions net assets as designated with the goal of establishing a reserve sufficient to fund six to twelve months of operating expenses. At June 30, 2024 and 2023, the board set aside \$1,157,013 and \$460,058 respectively, for this purpose.

With donor restrictions net assets are restricted as to use and consist of the following at June 30:

	2024	2023
Youth enrichment	\$ 107	\$ 107
Forever friends membership	<u>20,644</u>	4,033
	<u>\$ 20,751</u>	\$ 4,140

NOTE G - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

As part of CASA's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

CASA's financial assets available within one year of the balance sheet date for general expenditures are as follows:

	2024	2023
Cash and cash equivalents	\$ 251,715	\$ 724,617
Accounts receivable, net	148,417	59,292
Investments	<u>1,157,013</u>	<u>460,058</u>
Financial assets	1,557,145	1,243,967
Less those unavailable for general expenditures		
within one year, due to purpose restrictions stipulated by donors	<u>20,751</u>	<u>4,140</u>
Financial assets available to meet cash need for expenditures within one year	<u>\$ 1,536,394</u>	<u>\$ 1,239,827</u>

CASA EL DORADO

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

NOTE H - RETIREMENT PLAN

CASA has established a simple IRA retirement plan that covers all eligible employees. Employer matching and profit-sharing contributions may be made to the plan at the discretion of CASA's Board of Directors. Employer contributions in the amount of \$7,206 and \$5,845, were made during the years ended June 30, 2024 or 2023.

NOTE I – CONCENTRATION OF CREDIT RISK

CASA 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.

Victims of Crime Act grant funding accounted for 26% and 24% of the Organization's revenue as of June 30, 2024 and 2023, respectively.

NOTE J - SUBSEQUENT EVENTS

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through **December 16, 2024** the date that the financial statements were available to be issued.