

**COURT APPOINTED SPECIAL ADVOCATES OF STANISLAUS
COUNTY, INC.**

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS REPORT**

JUNE 30, 2019 & 2020

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Michael R. Baudler

Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The Court Appointed Advocates of
Stanislaus County, Inc.

I have audited the accompanying financial statements of Court Appointed Special Advocates of Stanislaus County, Inc. (a nonprofit corporation), which comprise the statements of financial position as of June 30, 2019 and 2020, and the activities, functional expenses and cash flows for the years 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Court Appointed Special Advocates of Stanislaus County, Inc. (a nonprofit corporation), which comprise the statements of financial position as of June 30, 2019 and 2020, 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.

Michael R. Baudler, CPA

Modesto, California
October 22, 2020

Court Appointed Special Advocates of Stanislaus County, Inc.
Statements of Financial Position
June 30, 2019 & 2020

	<u>2019</u>	<u>2020</u>
Assets		
Current Assets		
Cash & cash equivalents	\$ 399,040	\$ 464,794
Grant funds receivable	23,621	-
Prepaid expenses	-	4,048
Total Current Assets	<u>422,661</u>	<u>468,842</u>
Fixed Assets		
Furniture & fixtures	9,844	9,844
Less accumulated depreciation	<u>(9,844)</u>	<u>(9,844)</u>
	<u>(0)</u>	<u>-</u>
Other Assets		
Cash Restricted	<u>12,552</u>	<u>9,617</u>
Total Assets	<u>\$ 435,212</u>	<u>\$ 478,459</u>
Liabilities		
Current Liabilities-Accrued expenses	\$ 6,880	\$ -
Deferred fundraising revenue	<u>-</u>	<u>15,860</u>
Total Liabilities	<u>6,880</u>	<u>15,860</u>
Net Assets		
Net Assets with donor restrictions	\$ 12,552	\$ 9,617
Net Assets without donor restrictions	<u>415,781</u>	<u>452,983</u>
	<u>428,332</u>	<u>462,599</u>
Total Liabilities & Unrestricted Net Assets	<u>\$ 435,212</u>	<u>\$ 478,459</u>

See accompanying notes and accountants' report

Court Appointed Special Advocates of Stanislaus County, Inc.
Statements of Activity

For the Years Ended June 30, 2019 & 2020

	2019			2020		
	Net Assets		Total	Net Assets		Total
	With Donor Restrictions	Without Donor Restrictions		With Donor Restrictions	Without Donor Restrictions	
Net Assets						
Revenues						
Cash contributions	\$ -	\$ 18,270	\$ 18,270	\$ -	\$ 28,185	\$ 28,185
Grants	9,016	339,161	348,177	64,745	323,320	388,065
In-kind contributions	-	358,972	358,972	-	259,274	259,274
Special events	-	121,738	121,738	-	24,922	24,922
Interest & other revenue	2	1,988	1,990	-	4,682	6,882
Total revenues	<u>9,018</u>	<u>840,129</u>	<u>849,147</u>	<u>64,745</u>	<u>640,383</u>	<u>705,128</u>
Expenses						
General & administrative		64,995	64,995		68,794	68,794
Program services	8,532	639,056	647,588	67,680	449,717	517,397
Fundraising		121,231	121,231		84,669	84,669
Total expenses	<u>8,532</u>	<u>825,282</u>	<u>833,814</u>	<u>67,680</u>	<u>603,181</u>	<u>670,861</u>
Increase (decrease) in Net Assets	486	14,847	\$ 15,333	(2,935)	37,202	\$ 34,267
Net Assets-Beginning	12,066	400,933		12,552	415,781	
Net Assets-Ending	<u>\$ 12,552</u>	<u>\$ 415,781</u>		<u>\$ 9,617</u>	<u>\$ 452,983</u>	

See accompanying notes and accountants' report

Court Appointed Special Advocates of Stanislaus County, Inc.
Statements of Functional Expenses
For the Years Ended June 30, 2019 & 2020

	2019			2020		
	General & Administrative	Program Services	Fund-raising	General & Administrative	Program Services	Fund-raising
Bank charges	\$ -	\$ -	\$ 25	\$ -	\$ 6	\$ -
Filing fees	85	-	85	105	-	-
Depreciation	-	430	430	-	-	-
Dues & subscriptions	475	-	475	475	-	-
Facilities-Fundraising	-	-	44,554	-	-	3,153
Insurance	9,431	23,352	37,638	12,343	23,624	3,356
Childrens' fund expenditures	-	8,532	8,532	-	7,535	-
Office expenses	1,251	5,158	6,409	308	7,928	-
Advertising	-	90,558	90,558	-	47,440	-
Audit	-	3,345	3,345	-	4,300	-
Office supplies	-	635	635	-	495	-
Payroll processing fees	342	2,063	3,325	383	2,306	1,028
Payroll taxes	2,017	12,168	19,611	2,197	11,780	7,384
Professional development	-	9,168	9,168	-	13,269	-
Rent-in-kind	27,065	40,600	67,665	27,065	40,600	-
Salaries & wages	24,330	146,761	236,541	25,918	156,341	69,723
Telephone	-	9,620	9,620	-	10,164	-
Scholarships-Childrens' Fund	-	-	-	-	-	-
Grants receivable written off	-	3,891	3,891	-	-	-
Volunteer support-in-kind	-	291,307	291,307	-	191,609	-
	<u>\$ 64,995</u>	<u>\$ 647,588</u>	<u>\$ 833,814</u>	<u>\$ 68,794</u>	<u>\$ 517,397</u>	<u>\$ 84,669</u>
Percentage allocation	<u>8%</u>	<u>78%</u>	<u>100%</u>	<u>10%</u>	<u>77%</u>	<u>13%</u>
						<u>100%</u>
						<u>\$ 670,860</u>

Court Appointed Special Advocates of Stanislaus County, Inc.
Statements of Cash Flows
For the Years Ended June 30, 2019 & 2020

	2019	2020
Operating activities:		
Increase (decrease) in net assets	\$ 15,333	\$ 34,267
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	430	-
In-kind Contributions	(358,972)	(259,274)
Donated services & rent	358,972	259,274
(Increase) decrease in operating assets & liabilities		
Grant funds receivable	(2,156)	23,620
Promises to give	122,412	-
Prepaid expenses	1,199	(4,048)
Increase (decrease) in operating assets & liabilities		
Deferred fundraising revenue	-	15,860
Accrued Liabilities	1,500	(6,880)
	138,718	62,819
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	-	-
Increasej (decrease) in net assets	138,718	62,819
Cash & cash equivalents-beginning	272,874	411,592
Cash & cash equivalents-ending	\$ 411,592	\$ 474,411
Components of cash & cash equivalents-ending		
Unrestricted cash	\$ 399,040	\$ 464,794
Restricted cash	12,552	9,617
	\$ 411,592	\$ 474,411

See accompanying notes and accountants' report

Court Appointed Special Advocates of Stanislaus County

Notes to Financial Statements

For the years ended June 30, 2019 & 2020

Note 1 Description of the Organization

Court Appointed Special Advocates of Stanislaus County (CASA) (the Organization) is a California not-for-profit corporation exempt under IRC section 501(C)(3) which provides advocacy services to abused and neglected children in the Superior Courts of Stanislaus County through the use of trained volunteers.

General and administrative activities include the functions necessary to provide support for the organization's program activities including those that provide governance (Board of Directors) oversight, financial record keeping, human resource management, and similar activities that ensure an adequate working environment and an equitable employment program.

Note 2 –Summary of Significant Accounting Policies

The Organization prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) for not-for-profits. The significant accounting and reporting policies used by the organization are described subsequently to enhance the usefulness and understandability of the financial statements.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, the organization's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

Fundraising Events

Fundraising events for fiscal year-ended June 30, 2019 consisted of the following:

- Light of Hope (LOH), an evening of dinner and auctions of donated items. The primary costs are rent of the facility, tables/silverware, and food services;
- Kiwanis Golf Tournament, no material costs associated with the event;
- Holiday Card, no material costs associated with the event.
- Concert on the Green, an evening of music costs associated with the event: facilities fees and band fees.

Court Appointed Special Advocates of Stanislaus County

Notes to Financial Statements

For the years ended June 30, 2019 & 2020

Note 2 –Summary of Significant Accounting Policies (continued)

Fundraising Events-continued

For the fiscal year-ended June 30, 2020, the schedule events were rolled over to fiscal year 2020-2021 due to the Coronavirus. The costs incurred for these events e=was also rolled over as prepaid expenses in the amount of \$4,048.

Net Assets

The financial statements report net assets and changes in net assets in 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

Net assets without donor restrictions are resources available to support operations. The only limits on the use of unrestricted 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

Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose i.e. capital improvements or in a particular future period. The organization's unspent contributions are classified in this class if the donor limited their use, as are the unspent appreciation of its donor-restricted endowment funds. Funds are kept in segregated accounts at the donor's request. 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 temporarily restricted to unrestricted net assets. Net assets restricted for acquisition of equipment (or less commonly, the contribution of those assets directly) are reported as restricted until the specified asset is placed in service by the organization, unless the donor provides more specific directions about the period of its use.

Cash Equivalents

Cash equivalents are short term, interest bearing, highly liquid investments with original maturities of three months or less, unless the investments are held for meeting restrictions of a capital or endowment nature. In accordance with ASU No. 2016-18, Statements on Cash Flows-Restricted Cash, requires presentation of the total change in cash, cash equivalents, restricted cash and restricted cash equivalents for the period in the statement of cash flows, The ASU applies to all entities that have restricted cash or restricted cash equivalents and are required to present a statement of cash flows.

Court Appointed Special Advocates of Stanislaus County

Notes to Financial Statements

For the years ended June 30, 2019 & 2020

Note 2 –Summary of Significant Accounting Policies (continued)

Equipment and Furnishing

Equipment and Furnishings are reported in the statement of financial position at cost, if purchased, and at fair value at the date of the donation. Equipment is capitalized if it has a cost of \$1,000 or more and a useful life when acquired of more than 1 year. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the three to ten years. Fixed assets are reviewed for impairment when a significant change in the asset's use or another indicator of possible impairment is present. No impairment losses were recognized in the financial statements in the current period.

In-kind Contributions

The Organization received contributed services from a variety of professional and unpaid volunteers (advocates). Only those amounts that meet the criteria for recognition under ASC 958-605-25-16 are recognized in these financial statements.

The Advocates volunteer service is valued at \$29.09 (2018-2019) & (2019-2020) per hour. The rate is set by the Administrative Office of the Courts (AOC). Under the terms of the AOC Grant, the value of advocate donated services may be utilized as a 100% match for grant funds. The value of services For the years ended June 30, 2019 & 2020 was \$291,307 & \$191,609 respectively.

CASA operates from donated facilities in the Stanislaus Superior Court. The fair market value of the rent is \$61,281 per year as determined by Stanislaus County. In addition, The Stanislaus Superior Court began providing seven complimentary parking spaces. The fair market value of the parking spaces for the years ended June 30 2019 & 2020 was \$6,384.

Functional Expenses

The cost of providing the various programs and supporting services have been summarized on a functional basis in the statement of activities. As stated earlier, estimates were utilized in allocating common costs between general and administrative, program services and fundraising.

Court Appointed Special Advocates of Stanislaus County

Notes to Financial Statements

For the years ended June 30, 2019 & 2020

Note 2 –Summary of Significant Accounting Policies (continued)

Income Taxes

CASA is a California not-for-profit corporation exempt from taxes under Section 501(C)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. The exempt organization returns of CASA are subject to examination for three years from the date of filing. Tax years ending June 30, 2017 through June 30, 2019 are open for examination. Currently none of the years are being examined.

Note 3-Grant Funding

CASA received support from grants issued by the following organizations for the fiscal years ending June 30, 2019 & 2019:

		June 30, 2019	
<u>Grant Name</u>	<u>Contract Period</u>	<u>Grant Amount</u>	<u>Recognized Support</u>
AOC Other	2019 – 2020	\$ 82,117	\$ 82,117
Bank of the West	2018 - 2019	2,500	2,500
CAL/OES VOCA	2017- 2019	88,000	88,000
Victims of Crime	2019 – 2020	33,433	33,433
City of Modesto			
CDBG	2018 - 2019	28,200	28,200
Stanislaus County			
CDBG	2019 – 2020	20,000	20,000
CFC 1 st 5 Grant	2019 – 2020	56,411	56,411
Make Dreams Real	2019 – 2020	5,000	5,000
Sleep Train for			
Children’s Fund	2019 – 2020	4,016	4,016
Office of Education	2018 - 2019	12,000	12,000
Ceres USD	2018 - 2019	5,000	5,000
Bright Family Foundation	2018 - 2019	1,500	1,500
In-N-Out Burger	2018 - 2019	<u>10,000</u>	<u>10,000</u>
Total June 30, 2017		<u>\$348,177</u>	<u>\$ 348,177</u>

Court Appointed Special Advocates of Stanislaus County

Notes to Financial Statements

For the years ended June 30, 2019 & 2020

Note 3-Grant Funding (continued)

		June 30, 2020	
<u>Grant Name</u>	<u>Contract Period</u>	<u>Grant Amount</u>	<u>Recognized Support</u>
AOC Other	2019 – 2020	\$ 60,523	\$ 60,523
SBA-Payroll			
Protection Grant	2019 – 2020	57,945	57,945
Bank of the West	2019 – 2020	2,500	2,500
CAL/OES VOCA	2019 – 2020	155,932	155,932
Victims of Crime	2019 – 2020	29,466	29,466
City of Modesto			
CDBG	2019 – 2020	27,699	27,699
Stanislaus County			
CDBG	2019 – 2020	20,000	20,000
CFC 1 st 5 Grant	2019 – 2020	-0-	-0-
Make Dreams Real	2019 – 2020	-0-	-0-
Sleep Train for			
Children's Fund	2019 – 2020	-0-	-0-
Office of Education	2019 – 2020	12,000	12,000
Ceres USD	2019 – 2020	5,000	5,000
Bright Family Fnd.	2019 – 2020	1,000	1,000
Wing Stop	2019 – 2020	5,500	5,500
AT&T	2019 – 2020	1,500	1,500
Omega Nu	2019 – 2020	1,000	1,000
In-N-Out Burger	2019 – 2020	<u>8,000</u>	<u>8,000</u>
Total June 30, 2017		\$ <u>388,065</u>	\$ <u>388,065</u>

Note 4 – Risks and Uncertainties

The Organization receives significant funding from grants. These grants are subject to financial and compliance review by the grantors. It is possible that these reviews can result in the disallowance of expenditures and related revenues. The amount of expenditures that may be disallowed by the granting agencies cannot be determined at this time. CASA does not expect the amounts of these possible disallowed expenditures, if any, to materially affect the financial

Court Appointed Special Advocates of Stanislaus County

Notes to Financial Statements

For the years ended June 30, 2019 & 2020

Note 4 – Risks and Uncertainties-continued

statements. Further, CASA applies for grants from federal, state and local agencies, frequently in competition with other organizations, receipt of these grant revenues in the future is not assured.

5. Fair Value Measurements

The organization reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are as follows:

- *Level 1.* Quoted prices for identical assets or liabilities in active markets to which the organization has access at the measurement date.
- *Level 2.* Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include
 - quoted prices for similar assets or liabilities in active markets;
 - quoted prices for identical or similar assets in markets that are not active;
 - observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves
 - and inputs derived principally from, or corroborated by, observable market data by correlation or by other means
- *Level 3.* Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

When available, the organization measures fair value using level 1 inputs because they generally provide the most reliable evidence of fair value. The primary uses of fair value measures in the organization's financial statements are

- Initial measurement of noncash gifts, including gifts of investment assets and unconditional promises to give and in-kind contributions.
- recurring measurement of short term investments

Note 6 -Unconditional Promise to Give

In June of 2018, CASA was the recipient of a Cy Pres Award in the amount of \$122,412. Cy Pres Awards are funds in class action cases that, for a variety of reasons, cannot be distributed to class members or beneficiaries who were the intended recipients. Under the Cy Pres doctrine, courts can

Court Appointed Special Advocates of Stanislaus County

Notes to Financial Statements

For the years ended June 30, 2019 & 2020

Note 6 -Unconditional Promise to Give-continued

distribute these residual funds to appropriate charitable causes. The check was received in early July of 2018.

Note 7 – Availability of Financial Assets

For the years ended June 30, 2019 & 2020 CASA has financial assets in the unrestricted cash accounts in the following amounts respectively of \$399,040 and \$464,794. These amounts will be available to satisfy general expenditures within one year of the balance sheet date.

Note 8 – Paid Time Off (“PTO”)

CASA’s has initiated the following PTO policy:

Sick days: Part-time employees from the hire date after 30 days 1 hour for every 30 hours worked.

Utilization begins after 90 days.

Full-time employees: three months to one year 24 hours of sick time is allotted;

one year to three years 36 hours of sick time is allotted;

three years to five years 72 hours of sick time is allotted;

five years or more 144 hours of sick time is allotted.

No carry over or payout for sick days not taken. On termination the employee will be reimbursed one half of their accrued sick time up to three days.

Vacation Days: Regular full-time hourly employees shall be entitled to time equivalent to their weekly hours of time in the form of paid vacation after their first 12 months of employment from their hiring date.

12th month to two years 36 hours per year (salaried one week);

Years three and four 72 hours per year (salaried two weeks);

Five to nine years 108 hours per year (salaried three weeks)

Years ten and succeeding years 144 hours (salaried 4weeks)

Vacation accrual can not exceed 200 hours, the accrual will stop when until one half of accrued time has been used. Upon termination the employee shall receive vacation time up to 72 hours.

Casa maintains a log of hours for sick and vacation pay. The organization does not accrue hours for financial statement purposes.

Court Appointed Special Advocates of Stanislaus County
Notes to Financial Statements
For the years ended June 30, 2019 & 2020

Note 9 – PAYROLL PROTECTION PROGRAM GRANT “PPP Grant”

In April 2020, CASA received a Payroll Protection Program Grant in the amount of \$57,945 from the Federal Government. The purpose of the grant is that it is to be used for rent, utilities, mortgage interest payroll, payroll taxes, and employee benefits. If used for the intended benefits the grant will be forgiven. If it hasn't been used for those purposes it becomes a loan at 1%. As of June 30, 2020, CASA had utilized the entire grant as intended for payroll and related expenses

Note 10 – Evaluation of Subsequent Events

CASA has evaluated subsequent events through October 22, 2020 the date which the financial statements were available to be issued.

Michael R. Baudler

Certified Public Accountant

INDEPENDENT AUDITOR'S 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

October 22, 2020

To the Board of Directors for the Court Appointed Special Advocates
of Stanislaus County, Inc.

I 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 the Court Appointed Special Advocates of Stanislaus County, Inc. (a nonprofit corporation), which comprise the statements of financial position as of June 30, 2019 and 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 22, 2020.

Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered Court Appointed Special Advocates of Stanislaus County, Inc.'s internal control over financial reporting (internal control) to determine the 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 Court Appointed Special Advocates of Stanislaus County, Inc.'s internal control. Accordingly, I do not express an opinion on the effectiveness of Court Appointed Special Advocates of Stanislaus County, Inc.'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.

My 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 I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Court Appointed Special Advocates of Stanislaus County, Inc's financial statements are free from material misstatement, I 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my 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 my 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.

Michael R. Baudler

Modesto, CA 95354
October 22, 2020