

COURT APPOINTED SPECIAL
ADVOCATES OF STANISLAUS COUNTY

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2022 AND 2021

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J&M

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Court Appointed Special Advocates of Stanislaus County
Modesto, California

We have audited the accompanying financial statements of the Court Appointed Special Advocates of Stanislaus County (a Nonprofit Corporation) as of and for the years ended June 30, 2022 and 2021 which are comprised of statements as indicated in the table of contents.

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

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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 respective financial position of the Court Appointed Special Advocates of Stanislaus County as of June 30, 2022 and 2021 and the respective changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated Pending, on our consideration of the Court Appointed Special Advocates of Stanislaus County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.



Johnson & Matos CPAs, Inc.

September 28, 2022
Modesto, California

COURT APPOINTED SPECIAL ADVOCATES OF STANISLAUS COUNTY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

ASSETS

	<u>2022</u>	<u>2021</u>
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 556,446	\$ 435,897
Cash and Cash Equivalents, Restricted	<u>11,070</u>	<u>11,701</u>
Total Cash and Cash Equivalents	567,516	447,598
Prepaid Expenses	<u>-</u>	<u>4,050</u>
Total Current Assets	<u>567,516</u>	<u>451,648</u>
NON CURRENT ASSETS		
Deposit	<u>3,000</u>	<u>3,000</u>
FIXED ASSETS (Net of Accumulated Depreciation of \$9,844 and \$9,844)	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 570,516</u>	<u>\$ 454,648</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Deferred Revenue	<u>\$ 6,500</u>	<u>\$ 17,630</u>
NET ASSETS		
Net Assets Without Donor Restrictions	552,946	425,317
Net Assets With Donor Restrictions	<u>11,070</u>	<u>11,701</u>
Total Net Assets	<u>564,016</u>	<u>437,018</u>
Total Liabilities and Net Assets	<u>\$ 570,516</u>	<u>\$ 454,648</u>

See accompanying notes and accountant's report.

COURT APPOINTED SPECIAL ADVOCATES OF STANISLAUS COUNTY
CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
Revenues and Support:		
Contributions	\$ 64,436	\$ 50,769
Grants	375,602	271,317
In-Kind Contributions	192,042	157,271
Special Events	80,790	31,375
Interest and Dividend Income	257	181
Other Revenue	21,333	929
Net Assets Released From Restrictions	<u>16,931</u>	<u>13,416</u>
Total Revenues and Support	751,391	525,258
Expenses:		
Program Grants and Expenses	459,154	408,219
Operating Expenses	55,071	51,940
Fundraising	<u>109,537</u>	<u>92,764</u>
Total Expenses	<u>623,762</u>	<u>552,923</u>
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>127,629</u>	<u>(27,665)</u>
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Revenues and Support:		
Contributions	16,300	6,500
Grants	<u>-</u>	<u>9,000</u>
Total Revenues and Support	16,300	15,500
Less: Net Assets Released From Restrictions	<u>(16,931)</u>	<u>(13,416)</u>
INCREASE (DECREASE) IN NET ASSETS WITH DONOR RESTRICTIONS	<u>(631)</u>	<u>2,084</u>
TOTAL CHANGE IN NET ASSETS	126,998	(25,581)
Net Assets at Beginning of Year	<u>437,018</u>	<u>462,599</u>
Net Assets at End of Year	<u>\$ 564,016</u>	<u>\$ 437,018</u>

See accompanying notes and accountant's report.

COURT APPOINTED SPECIAL ADVOCATES OF STANISLAUS COUNTY
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30, 2022 AND 2021

YEAR ENDED JUNE 30, 2022				
	SUPPORT SERVICES			TOTAL
	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING AND DEVELOPMENT	
EXPENSES				
Salaries and Wages	157,806	26,301	78,903	\$ 263,010
In-Kind Volunteer Support	192,042	-	-	192,042
Payroll Taxes	11,489	2,089	7,311	20,889
Occupancy				
Rent and Utilities	25,117	16,743	-	41,860
Special Events	-	-	19,378	19,378
General and Administrative				
Children's Fund Expenses	16,931	-	-	16,931
Filing Fees	-	95	-	95
Dues and Subscriptions	-	475	-	475
Insurance	17,139	8,570	2,857	28,566
Office Expense	8,269	435	-	8,704
Payroll Processing	2,177	363	1,088	3,628
Professional Development	17,864	-	-	17,864
Professional Fees	4,500	-	-	4,500
Supplies	1,388	-	-	1,388
Telephone	4,432	-	-	4,432
Total Functional Expenses	\$ 459,154	\$ 55,071	\$ 109,537	\$ 623,762

YEAR ENDED JUNE 30, 2021				
	SUPPORT SERVICES			TOTAL
	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING AND DEVELOPMENT	
EXPENSES				
Salaries and Wages	159,152	26,525	79,576	265,253
In-Kind Volunteer Support	157,271	-	-	157,271
Payroll Taxes	11,796	2,145	7,507	21,448
Occupancy				
In-Kind Rent	18,362	12,240	-	30,602
Special Events	-	-	1,362	1,362
Marketing	982	-	-	982
General and Administrative				
Bank Fees	5	-	20	25
Children's Fund Expenses	13,416	-	-	13,416
Filing Fees	-	85	-	85
Dues and Subscriptions	-	475	-	475
Insurance	19,481	9,741	3,247	32,469
Office Expense	7,181	378	-	7,559
Payroll Processing	2,105	351	1,052	3,508
Professional Development	6,463	-	-	6,463
Professional Fees	7,650	-	-	7,650
Supplies	488	-	-	488
Telephone	3,867	-	-	3,867
Total Functional Expenses	\$ 408,219	\$ 51,940	\$ 92,764	\$ 552,923

See accompanying notes and accountant's report.

COURT APPOINTED SPECIAL ADVOCATES OF STANISLAUS COUNTY
CONSOLIDATED STATEMENTS OF CASH FLOW
YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CASH FLOW FROM (USED BY) OPERATING ACTIVITIES		
Change in Net Assets	\$ 126,998	\$ (25,581)
Adjustment to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
In-Kind Contributions	(192,042)	(157,271)
Donated Services	192,042	157,271
Changes in Operating Assets and Liabilities:		
Decrease (Increase) in Prepaid Expenses	4,050	(2)
Decrease (Increase) in Deposits	-	(3,000)
Increase (Decrease) in Accrued Liabilities	-	1,770
Increase (Decrease) in Deferred Revenue	(11,130)	-
Total Adjustments	<u>(7,080)</u>	<u>(1,232)</u>
Net Cash Flow From (Used By) Operating Activities	<u>119,918</u>	<u>(26,813)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	119,918	(26,813)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>447,598</u>	<u>474,411</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 567,516</u>	<u>\$ 447,598</u>

See accompanying notes and accountant's report.

COURT APPOINTED SPECIAL ADVOCATES OF STANISLAUS COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Court Appointed Special Advocates of Stanislaus County (the Organization), a California Nonprofit Corporation, is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code (the Code).

Court Appointed Special Advocates of Stanislaus County provides advocacy services to abused and neglected children in the Superior Courts of Stanislaus County through the use of trained volunteers. The primary sources of revenues for the Organization are contributions from the public, foundations, and businesses, grants, and fundraisers.

Classification of Net Assets

Generally accepted accounting principles requires the Organization to report information regarding its financial position and activities in two classes of net assets – with donor restrictions and without donor restrictions - based upon the existence or absence of donor-imposed restrictions.

Net assets subject to donor-imposed restrictions that will be met either by actions of the Organization or the passage of time, or are subject to donor-imposed restrictions that will be maintained in perpetuity are classified as net assets with donor restrictions. The Organization's total net assets with donor restrictions as of June 30, 2022 and 2021 were \$11,070 and \$11,701, respectively.

The Organization's financial statements classify all net assets that are not permanently or temporarily restricted as net assets without donor restrictions. Generally, these net assets are the result of revenues generated by receiving contributions or grants with no donor restrictions, providing services, and investment related earnings, less expenses incurred to provide program related services, raising contributions, and performing administrative functions.

Cash and Cash Equivalents

The statement of cash flows is prepared using the indirect method, which accounts for the differences between net income and cash flow. For cash flow purposes, the Company considers all highly liquid investments with a maturity of three months or less when acquired, to be cash equivalents.

Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded as receivables and revenue when pledged. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Conditional promises to give are not included as support until the conditions are substantially met. Management believes that all

COURT APPOINTED SPECIAL ADVOCATES OF STANISLAUS COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

promises to give are 100% collectible. At June 30, 2022 and 2021, the Organization had \$0 and \$0 of unconditional promises to give, respectively.

Grant Awards

The Organization receives grants from private and governmental grantors for various purposes. Grant income for grants with no performance obligations is reported in total in the year the grant was awarded with any amount not received accrued as a receivable. Sometimes, grant funds are disbursed over several years, pursuant to the individual grant terms. Multi-year grants with performance obligations are not recognized as income until all performance obligations have been satisfied and receipt is guaranteed.

Donated Goods and Services

During the year, the Organization received a significant amount of donated time from many unpaid volunteers (advocates). Only those amounts which meet the criteria for recognition under ASC 958-605-25-16 have been recognized in the financials.

Volunteer services provided by advocates is valued at a per hour rate as established by the Administrative Office of the Courts (AOC). As of June 30, 2022 and 2021, the AOC established hourly rate was \$33.61/hour and \$30.51/hour, respectively. Under the terms of the AOC Grant, the value of the advocate donated services may be utilized as a 100% match for grant funds. The value of the services received from advocates for the years ending June 30, 2022 and 2021 were \$192,042 and \$157,271, respectively.

Allowance for Doubtful Accounts

The Organization uses the direct write-off method for uncollectible accounts receivable. Generally accepted accounting principles require the use of the allowance for doubtful accounts method for accounts receivable. Management believes that all accounts receivable are collectible. Therefore, the direct write-off method is equivalent to the allowance for doubtful accounts method. Bad debt expense for the years ended June 30, 2022 and 2021 were \$0 and \$0, respectively.

Investments

Any investments held at year end are carried at estimated fair market value. When the Organization receives a donation of investment securities, they are recorded at the fair market value on the date of the gift. It is the Organization's policy to immediately convert donated securities to cash, so any investments held at year end would be the result of timing. Any securities held at year end are converted to cash as soon as reasonably possible in the next fiscal year. The Organization did not have

COURT APPOINTED SPECIAL ADVOCATES OF STANISLAUS COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

any contributions of securities during the years ended June 30, 2022 and 2021.

Fixed Assets

Fixed assets, consisting of the assets noted below, are carried at cost if purchased or fair market value if donated, net of accumulated depreciation. Asset acquisitions in excess of \$1,000 with a life in excess of one year are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets as follows:

Furniture and Equipment	3-7 years
Leasehold Improvements	10 years

Income Taxes

The Organization is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from Federal and California income tax, except on net income derived from unrelated business activities. The Organization believes it has appropriate support for any tax position taken and, as such, does not have any uncertain tax positions that are material to the financial statements. The Organization is classified as a public charity under IRC section 170(b)(1)(A)(vi). Management believes that the Organization will continue to be exempt from taxes. The Organization's federal information returns are subject to examination by the IRS, generally for three years after they were filed.

Accrued Compensated Absences

Employees of the Organization are entitled to paid vacation and paid sick days depending on job classification, length of service, and other factors. While the Organization does maintain a log of these accrued hours, it is impractical to estimate the amount of compensation for future absences; and, accordingly, no liability has been recorded in the accompanying financial statements. The Organization's policy is to recognize the cost of compensated absences when actually paid to employees.

Estimates and Assumptions

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.

COURT APPOINTED SPECIAL ADVOCATES OF STANISLAUS COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Inputs, Methodologies and Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the assets. The classification of securities within the fair value hierarchy is based upon the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

Level 1 – Quoted market prices for identical instruments in active markets.

Level 2 - 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, inputs derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Valuation models in which significant inputs are unobservable or where there is little market activity, if any.

The carrying amounts of financial instruments, including cash, accounts receivable, accounts payable, and accrued expenses approximate their fair value due to the short-term maturities of these instruments.

NOTE 2 CASH AND CASH EQUIVALENTS

The Organization maintains cash deposits at several financial institutions. The Federal Deposit Insurance Corporation (FDIC) provides insurance coverage per depositor per financial institution. The maximum coverage as of June 30, 2022 and 2021 was \$250,000. At June 30, 2022 and 2021, the Organization's uninsured cash balance was \$67,992 and \$28,595, respectively.

The Organization's cash and cash equivalents at June 30, 2022 and 2021 are as follows:

Cash and Cash Equivalents:	June 30, 2022	June 30, 2021
Bank of the West	\$ 291,934	\$ 272,253
Oak Valley Bank	275,582	175,345
Total Financial Institutions	<u>\$ 567,516</u>	<u>\$ 447,598</u>

COURT APPOINTED SPECIAL ADVOCATES OF STANISLAUS COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 3 FUNCTIONAL CLASSIFICATION OF EXPENSES

Generally accepted accounting principles recommend all non-profit organizations classify expenses so that the functional use of resources is shown in the financial statements. Functional classification allocates expenses according to the purpose for which the costs are incurred. Functional expenses of the Organization are generally allocated by management based on time and effort expended in each category.

NOTE 4 REVENUE RECOGNITION

The Organization recognizes revenue from several different sources throughout the year. A primary source of revenue is contributions and fundraising which are recognized in the Statement of Activities when cash or ownership of donated assets is transferred to the Organization. This type of revenue does not typically have any performance obligations that must be met in order to be recognized as revenue.

The other primary source of revenue for the Organization is grant revenue. The Organization receives both unrestricted and restricted as to use grant revenue. Typically, there are no performance obligations that must be met in order for the Organization to receive the grant funding and therefore, the revenue is recognized when the funding is awarded. Sometimes the Organization will be awarded grant funding that is subject to various performance obligations. The most typical performance obligation related to grants would be providing reporting on program services and impact to a grantor during the life of a grant in order to show that the funding is effective. If the Organization receives these types of grants, the amount of funding subject to performance obligations is recognized as deferred revenue until such time as the performance obligation has been satisfied. The Organization did not have any such performance obligation restricted grants at June 30, 2022 and 2021.

NOTE 5 LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization monitors its liquidity so that it is able to meet its operating needs. The below table reflects the Organization's financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date. Financial assets are considered to be unavailable for general expenditure when they are illiquid or not convertible to cash within one year or because the board of directors has designated funds for specific reserves or long-term investments such as board designated quasi-endowments.

COURT APPOINTED SPECIAL ADVOCATES OF STANISLAUS COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 5 LIQUIDITY AND AVAILABILITY OF RESOURCES (Continued)

The Organization's liquidity as of June 30, 2022 is as follows:

Financial Assets:	
Cash and Cash Equivalents	\$ 567,516
Security Deposit	<u>3,000</u>
Total Financial Assets	570,516
Less Those Unavailable for General Expenditure Within One Year Due to:	
Cash with Donor Restrictions	(11,070)
Non-Current Security Deposit	<u>(3,000)</u>
Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	<u>\$ 556,446</u>

The Organization has a goal to maintain financial assets on hand to meet 60 days of normal operating expense, which are, on average, approximately \$104,000.

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 6 PROPERTY AND EQUIPMENT

At June 30, 2022 and 2021, the Organization had total fixed assets comprised of Furniture and Equipment valued at \$9,844. These assets were fully depreciated in a prior year and accordingly, there was no depreciation expense recognized for the years ended June 30, 2022 and 2021.

The Organization does not have any fixed assets that are not being depreciated.

NOTE 7 RISKS AND UNCERTAINTIES

The Organization receives a substantial amount of its funding in any given year 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. It is impractical to estimate the total amount of expenditures or revenues that may be disallowed by the granting agencies. However, the Organization believes that the effect of any possible disallowed expenditures would have an immaterial effect on the financial statements. Additionally, the Organization applies for grants from federal, state, and local agencies, frequently in competition with other organizations and receipt of these grant revenues in the future is not assured.

COURT APPOINTED SPECIAL ADVOCATES OF STANISLAUS COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 8 OPERATING LEASES

Effective June 15, 2021, the Organization entered into an operating lease agreement for office space located at 1935 G Street, Suite B in Modesto expiring June 30, 2023. The monthly lease payments is \$3,000. Total lease payments made during the years ended June 30, 2022 and June 30, 2021 were \$36,000 and \$1,500, respectively.

Minimum future lease payments to be paid each year and in the aggregate for the remainder of the lease are as follows:

<u>Period Ended June 30,</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>
2022	\$ -	\$ 36,000
2023	36,000	36,000
Total	<u>\$ 36,000</u>	<u>\$ 72,000</u>

NOTE 9 SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 28, 2022, which is the date the financial statements were available to be issued.



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MICHELLE N. MATOS, CPA, MBA

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

To the Board of Directors
Modesto, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Court Appointed Special Advocates of Stanislaus County (CASA), as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise CASA's basic financial statements and have issued our report thereon dated Pending.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered CASA'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CASA's internal control. Accordingly, we do not express an opinion on the effectiveness of CASA'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. We did not identify any material weaknesses as a result of our audit procedures.

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. We did not identify and significant deficiencies as a result of our audit procedures.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Johnson & Matos CPAs, Inc.".

Johnson & Matos CPAs, Inc.

September 28, 2022
Modesto, California