

CHILD ADVOCATES OF PLACER COUNTY
FINANCIAL STATEMENTS
JUNE 30, 2021

**CHILD ADVOCATES OF PLACER COUNTY
FINANCIAL STATEMENTS
JUNE 30, 2021**

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INDEPENDENT AUDITOR'S REPORT

To the Board Directors
Child Advocates of Placer County
Auburn, California

Report on the Financial Statements

We have audited the accompanying financial statements of Child Advocates of Placer County (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses and cash flows 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.

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 financial position of Child Advocates of Placer County as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance 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 March 25, 2022, on our consideration of Child Advocates of Placer 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 Child Advocates of Placer County'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 Child Advocates of Placer County's internal control over financial reporting and compliance.



Jensen Smith
Certified Public Accountants, Inc.
Lincoln, California
March 25, 2022

CHILD ADVOCATES OF PLACER COUNTY
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 428,397	
Investments	250,248	
Accounts Receivable	129,152	
Prepaid Expenses	19,685	
Total Current Assets		\$ 827,482

Fixed Assets

Office Furniture and Equipment	25,093	
Less: Accumulated Depreciation	(23,683)	
Total Net Fixed Assets		1,410

Non-Current Assets

Placer Community Foundation Endowment	44,773	
Total Non-Current Assets		44,773

TOTAL ASSETS		<u><u>\$ 873,665</u></u>
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LIABILITIES AND NET ASSETS

Current Liabilities

Accounts Payable and Accrued Expenses	\$ 63,811	
Deferred Income	5,000	
Accrued Vacation	22,700	
Total Current Liabilities		\$ 91,511

Total Liabilities		91,511
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Net Assets

Without Donor Restrictions

Board Designated - Endowment	31,489	
Other Without Donor Restrictions	732,468	
Total Without Donor Restrictions		763,957

With Donor Restrictions

Endowment	13,284	
Other Donor Restricted	4,913	
Total With Donor Restrictions		18,197

Total Net Assets		<u><u>782,154</u></u>
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TOTAL LIABILITIES AND NET ASSETS		<u><u>\$ 873,665</u></u>
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See Accompanying Notes

CHILD ADVOCATES OF PLACER COUNTY
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES, SUPPORT AND OTHER GAINS			
Government Grants	\$ -	\$ 585,015	\$ 585,015
Non-Governmental Grants	3,620	10,694	14,314
Foundation Grants	60,000	192,696	252,696
Donations	40,520	180,162	220,682
Fundraising	54,261	17,950	72,211
Loan Forgiveness	81,324	-	81,324
Miscellaneous	9,155	10	9,165
Net Assets Released from Restriction	978,001	(978,001)	-
TOTAL REVENUES SUPPORT AND OTHER GAINS	1,226,881	8,526	1,235,407
EXPENSES			
Program Services	898,634	-	898,634
Support Services:			
Administrative	60,963	-	60,963
Fundraising	110,709	-	110,709
TOTAL EXPENSES	1,070,306	-	1,070,306
Change in Net Assets	156,575	8,526	165,101
Net Assets at July 1, 2020	607,382	9,671	617,053
NET ASSETS AT JUNE 30, 2021	\$ 763,957	\$ 18,197	\$ 782,154

See Accompanying Notes

**CHILD ADVOCATES OF PLACER COUNTY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2021**

	Program Services	Support Services		Total Expenses
		Administrative Expenses	Fundraising Expenses	
EXPENSES				
Personnel Costs	\$ 718,401	\$ 37,691	\$ 44,515	\$ 800,607
Community Outreach	20,568	-	-	20,568
Computer Expenses	5,333	941	-	6,274
Computer Software	12,685	-	-	12,685
Depreciation	1,137	201	-	1,338
Event Expenses	-	-	66,194	66,194
Foster Youth Activities	10,439	-	-	10,439
Insurance	6,091	1,075	-	7,166
Miscellaneous	-	3,940	-	3,940
Office Supplies	6,480	1,143	-	7,623
Office Equipment	8,992	-	-	8,992
Postage & Delivery	836	147	-	983
Professional Fees	15,582	2,750	-	18,332
Rent Expense	61,609	10,872	-	72,481
Training & Staff Development	8,557	-	-	8,557
Travel & Meals	9,447	-	-	9,447
Utilities	12,478	2,202	-	14,680
TOTAL EXPENSES	\$ 898,634	\$ 60,963	\$ 110,709	\$ 1,070,306

See Accompanying Notes

**CHILD ADVOCATES OF PLACER COUNTY
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2021**

Cash Flows From Operating Activities	
Change in Net Assets	\$ 165,101
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	1,338
Reinvested Income in Endowment Account	(7,127)
Loan forgiven	(81,324)
(Increase) Decrease in Operating Assets	
Accounts Receivable	(39,846)
Prepaid Expenses	(3,059)
Increase (Decrease) in Operating Liabilities	
Accounts Payable and Accrued Expenses	43,427
Deferred Income	(3,000)
Accrued Vacation	121
Net Cash Provided by Operating Activities	<u>75,631</u>
 Cash Flows From Investing Activities	
Cash Invested	<u>(47,189)</u>
Net Cash Used for Investing Activities	<u>(47,189)</u>
 Net Change in Cash and Cash Equivalents	
Cash and Cash Equivalents at July 1, 2020	<u>399,955</u>
Cash and Cash Equivalents at June 30, 2021	<u><u>\$ 428,397</u></u>

Supplemental Information for thr yeard ended June 30, 2021

Federal Taxes paid was \$0

Interest paid was \$0

See Accompanying Notes

CHILD ADVOCATES OF PLACER COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1: NATURE OF THE ORGANIZATION

Child Advocates of Placer County was incorporated in December of 2003 for the purpose of providing advocates in court, and to find safe, permanent living alternatives for the children of Placer County who have been removed from their homes due to abuse, neglect, or violence. The Organization's mission is to provide foster children with Court Appointed Special Advocates (CASAs) and at risk youth with dedicated mentors, creating a bridge between the most vulnerable in our community and caring volunteers who want to help. The ultimate goal of the Organization is to help the children in the program to find safe and permanent homes, whether by returning to their families, or through adoption, or guardianship.

The majority of funding comes from individual donations, government and foundation grants and contracts with the Judicial Council and Superior Courts. The major program of Child Advocates of Placer County is the Court Appointed Special Advocates (CASA) program. Extensive training and program support is provided to all volunteer advocates so that they may serve as the critical link between the child, superior court and foster parents. These trained volunteers advocate for the child's best interest in the courtroom for: educational plans for success; appropriate medical and dental care; a safe, permanent home; understand and communicate with the child on what is happening in court and moving forward; and provide a consistent adult in the child's life.

Child Advocates of Placer County is a not-for-profit corporation exempt from federal and California state income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code. It is classified as an organization that is not a private foundation under Section 509(a)(2) of the Internal Revenue Code and qualifies for the 50% charitable contribution deduction for individual donors. The Organization did not have unrelated business income during fiscal year ended June 30, 2021.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Method

The financial statements of the Organization are prepared on the accrual basis of accounting. Revenue is recognized when earned and expenditures are recognized when incurred, rather than when cash is received or disbursed.

Revenue Recognition

The Organization has adopted Accounting Standards Update (ASU) No. 2014-09 - Revenue from Contracts with Customers (Topic 606), as amended, as management believes the standard improves the usefulness and understandability of the Organization's financial reporting. Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

CHILD ADVOCATES OF PLACER COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. The Organization records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place. At June 30, 2021, \$5,000 had been received for a future event and is reported as a liability on the statement of financial position.

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. The Organization did not receive any advanced funds in the fiscal year ended June 30, 2021.

Classes of Net Assets

The Organization follows the recommendations of the Financial Accounting Standards Board (FASB). FASB establishes standards for financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into two net asset categories according to externally-imposed restrictions. A description of the two net asset categories is as follows:

- a) *Net Assets Without Donor Restrictions* have no donor-imposed restrictions.
- b) *Net Assets With Donor Restrictions* have donor-imposed restrictions that are satisfied either by the passage of time or expenditures that meet the donor-specified purpose; or those contributed with donor stipulation that they be held in perpetuity with the use of income for unrestricted or restricted purposes. This also includes amounts contributed by the organization as an endowment and held in contract by an outside organization as permanently restricted.

Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled or the stipulated time period has elapsed), are reported as revenues of the net assets with donor restrictions class and then moved to without donor restrictions as funds released from restrictions.

Cash

For purposes of the statement of cash flows, cash and cash equivalents are considered to be highly liquid depository accounts purchased with a maturity of three months or less.

CHILD ADVOCATES OF PLACER COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Office Furniture and Equipment

The Organization capitalizes all assets purchased or donated with a value over \$2,500. Purchased fixed assets are capitalized at historical cost. Donated fixed assets are capitalized and recorded as contributions at their estimated fair market value. Such donations are recorded as unrestricted unless the donor has restricted the donated asset to a specific purpose. Maintenance and repairs are expensed when incurred, while betterments are capitalized and depreciated. Depreciation is recognized using the straight-line method over the useful lives of the assets, which ranges from 5-10 years.

Deferred Income

Deferred income of \$5,000 represents an advance from a private foundation for a future event. See revenue recognition description above.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those amounts.

NOTE 3: FINANCIAL INSTRUMENTS AND CREDIT RISK

The Organization 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.

NOTE 4: FAIR VALUE MEASUREMENTS OF INVESTMENTS

The following methods and assumptions were used by the Organization in estimating the fair value of its financial instruments:

Investments – The fair market value of a certificate of deposit is based on cash value and marketable equity security is based on quoted market prices at any given point in time.

Fair values of assets measured at June 30, 2021 consisted of the following:

<i>Description</i>	<u>Fair Value Measurements Using:</u>	
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)
Equity Securities	\$ 1,677	\$ 1,677
Certificates of Deposit	\$ 250,248	\$ 250,248

At June 30, 2021, there were no Level 3 financial instruments.

CHILD ADVOCATES OF PLACER COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5: FIXED ASSETS

Fixed assets and changes in fixed assets are summarized as follows:

	<u>June 30, 2020</u>	<u>Additions</u>	<u>Disposals</u>	<u>June 30, 2021</u>
Office Furniture and Equipment	\$ 25,093	\$ -	\$ -	25,093
Less Accumulated Depreciation	<u>(22,345)</u>	<u>(1,338)</u>	-	<u>(23,683)</u>
Total Fixed Assets	<u>\$ 2,748</u>	<u>\$ (1,338)</u>	<u>\$ -</u>	<u>\$ 1,410</u>

Depreciation expense for the fiscal year ended June 30, 2021 was \$1,338.

NOTE 6: CONTRIBUTIONS AND IN-KIND SERVICES

The Organization reports gifts of cash and other assets as restricted support if they are pledged or received with donor stipulations that limit the use of the donation. When a donor restriction expires, that is when a stipulated time ends or purpose restriction is accomplished, with donor restrictions net assets are reclassified as without donor restrictions and reported in the statement of activities as net assets released from restrictions.

During the year ended June 30, 2021, volunteer hours were provided for program, administration and fund-raising services but were not recognized as contributions in the financial statements as they did not meet the criteria of FASB statement on *Revenue Recognition for Not-for-Profit Entities*.

Volunteers for the organization donate significant hours towards various Child Advocates programs, and assist with administration and fundraising. These hours totaled 12,213 and would be the equivalent of \$384,823 at the Independent Sector’s California rate for the year 2019 of \$31.51 per hour.

NOTE 7: NET ASSETS WITH DONOR RESTRICTIONS AND DESIGNATIONS

Net assets with donor restrictions and board designations consisted of two income activities:

1. Restricted contributions for the purpose of funding extra-curricular activities for foster and former foster youth. At June 30, 2021, the Organization had \$4,913 remaining that had not been expended for this purpose.
2. An endowment investment held by the Placer Community Foundation (PCF). The endowment is carried at fair market value on the Statement of Financial Position. At June 30, 2021 the fair market value was \$44,773, of which, \$6,489 was available for distribution.
 - The original principal of \$25,000 was contributed by the Organization and is held in perpetuity by the PCF. This portion plus the available for distribution amount on the account are not considered “with donor restrictions” but rather are reported as funds designated by the board.

CHILD ADVOCATES OF PLACER COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7: NET ASSETS WITH DONOR RESTRICTIONS AND DESIGNATIONS - continued

- Donors can make contributions directly to this fund through the PCF. These donations are restricted in perpetuity and totaled \$13,284 of the total endowment balance at June 30, 2021.

At June 30, 2021 the fair market value and investment activity of the endowment investment were as follows:

Balance at June 30, 2020	\$ 37,646
Investment earnings/(losses)	7,750
Administrative fees	<u>(623)</u>
Balance at June 30, 2021	<u>\$ 44,773</u>

NOTE 8: FUNCTIONAL EXPENSES

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the following basis:

- Personnel expenses are allocated on the basis of time and effort.
- Building and occupancy costs are allocated on the basis of square footage
- Depreciation is allocated based on usage of assets.

NOTE 9: LEASES

The Organization signed a lease for office space dated February 19, 2021 which commenced on April 1, 2021. The term of the lease is sixty (60) months and ends March 31, 2026. In June 2021, The Organization signed an amendment to the original lease, adding more office space but not altering the terms of the lease.

The monthly lease payment includes utilities. Future minimum payments are as follows:

<u>For the year ended June 30</u>	Amount
2022	\$ 80,632
2023	\$ 124,509
2024	\$ 128,066
2025	\$ 131,624
2026	<u>\$ 135,181</u>
TOTAL	<u>\$ 600,012</u>

Rental expense, less related utilities, for the year ended June 30, 2021 was \$61,015.

CHILD ADVOCATES OF PLACER COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 10 – LIQUIDITY

The Organization relies primarily on grants and contracts as well as public support to provide cash flow for operations. Working capital varies during the year based on the timing of irregular receipt of grants and contracts, fundraising events, and other factors with a concentration of cash received.

The Organization’s financial assets available for general expenditures within one year from June 30, 2021:

Cash and cash equivalents	\$ 428,397
Grants Receivable	<u>129,152</u>
Total	<u>\$ 557,549</u>

NOTE 11: RELATED PARTY TRANSACTIONS

The Organization engaged a Certified Public Accounting firm to do bookkeeping. The Board Treasurer was also employed by the same Certified Public Accounting firm. The fees for the accounting firm for the year ended June 30, 2021 were \$10,332.

NOTE 12: TAX POSITIONS

The Organization has adopted the recognition requirements for uncertain income tax positions as required by generally accepted accounting principles, with no cumulative effect adjustment required. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. The Organization has analyzed the tax positions taken in its filings with the Internal Revenue Service and state jurisdictions where it operates.

The Organization believes that its income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Organization’s financial condition, results of operations or cash flows. Accordingly, the Organization has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at June 30, 2021.

The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to income tax examinations for years prior to June 30, 2017.

CHILD ADVOCATES OF PLACER COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 13: FORGIVEN SMALL BUSINESS LOAN

On April 29, 2020, the Organization entered into a loan for \$81,324, under the Paycheck Protection Program of the Coronavirus Aid, Relief, and Economic Security Act (CARES ACT). The loan was forgiven in October 2020 as the funds were used for qualified expenses – Payroll costs, mortgage interest, utilities, rents, etc.

The loan amount plus interest was forgiven in October 2020 and is reported as other income in the fiscal year ended June 30, 2021.

NOTE 14: UNCERTAINTIES

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The extent of the impact of COVID-19 on the organization's future operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on the Organization's customers, employees, volunteers and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the Organization's financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

NOTE 15: SUBSEQUENT EVENTS

Events subsequent to June 30, 2021 have been evaluated through March 25, 2022, the date at which the Organization's audited financial statements were available to be issued. No events requiring disclosure have occurred through this date.

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**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**

Independent Auditor's Report

To the Board of Directors
Child Advocates of Placer County
Auburn, 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 Child Advocates of Placer County (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, 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 March 25, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Child Advocates of Placer County's internal control over financial reporting (internal control) as a basis for designing 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 Child Advocates of Placer County's internal control. Accordingly, we do not express an opinion on the effectiveness of Child Advocates of Placer County'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.

Our 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 we did not identify any deficiencies in internal control that we 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 Child Advocates of Placer County'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 financial statements. 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 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.

Sincerely,



Jensen Smith
Certified Public Accountants, Inc.
Lincoln, California
March 25, 2022