

**CASA, INC.
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
YEARS ENDED JUNE 30, 2022 AND 2021**

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Edmondson, Betzler & Dame
Certified Public Accountants
INDEPENDENT AUDITORS' REPORT

To the Board of Directors
CASA, Inc.
Nashville, Tennessee

Opinion

We have audited the accompanying financial statements of CASA, Inc. (a nonprofit organization) ("CASA"), which comprise the statements of financial position as of June 30, 2022, 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, Inc. as of June 30, 2022, 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.

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, Inc. 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.

Prior Period Financial Statements

The financial statements of CASA, Inc. as of June 30, 2021 were audited by other auditors whose report, dated November 16, 2021, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

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, including omissions, 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, Inc.'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, Inc.'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.



Edmondson, Betzler, & Dame, PLLC
Brentwood, Tennessee

October 27, 2022

CASA, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

ASSETS		
	2022	2021
CURRENT ASSETS		
Cash and cash equivalents	\$ 316,061	\$ 231,774
Grants receivable	8,458	41,430
Investments	564,906	651,519
Prepaid expenses	<u>14,204</u>	<u>5,759</u>
Total current assets	903,629	930,482
Beneficial interest in agency endowment fund held by Community Foundation of Middle Tennessee	65,232	74,039
Property and equipment, net	<u>10,971</u>	<u>19,901</u>
TOTAL ASSETS	<u><u>\$ 979,832</u></u>	<u><u>\$ 1,024,422</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 50,593	\$ 42,915
Deferred grant revenue	-	98,469
Line of credit	<u>60,000</u>	<u>-</u>
Total current liabilities	<u>110,593</u>	<u>141,384</u>
NET ASSETS		
Without donor restrictions:		
Designated for beneficial interest in agency endowment fund	65,232	74,039
Undesignated	<u>800,918</u>	<u>798,399</u>
Total without donor restrictions	866,150	872,438
With donor restrictions	<u>3,089</u>	<u>10,600</u>
Total net assets	<u>869,239</u>	<u>883,038</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 979,832</u></u>	<u><u>\$ 1,024,422</u></u>

The accompanying notes are an integral part of these financial statements.

CASA, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and other support:			
Grants	\$ 516,600	\$ 13,689	\$ 530,289
Special events (including in-kind of \$12,824)	253,225	-	253,225
Contributions	236,660	-	236,660
Other income	11,459	-	11,459
Change in value of beneficial interest in agency endowment fund held by Community Foundation of Middle Tennessee	(8,807)	-	(8,807)
Investment loss, net	(86,613)	-	(86,613)
Net assets released from restrictions	<u>10,600</u>	<u>(10,600)</u>	<u>-</u>
Total revenue and other support	<u>933,124</u>	<u>3,089</u>	<u>936,213</u>
Expenses:			
Program services	578,484	-	578,484
General and administrative	147,705	-	147,705
Fundraising	<u>223,823</u>	<u>-</u>	<u>223,823</u>
Total expenses	<u>950,012</u>	<u>-</u>	<u>950,012</u>
Increase (decrease) in net assets	(16,888)	3,089	(13,799)
NET ASSETS, BEGINNING OF THE YEAR	<u>872,438</u>	<u>10,600</u>	<u>883,038</u>
NET ASSETS, END OF THE YEAR	<u><u>\$ 866,150</u></u>	<u><u>3,089</u></u>	<u><u>869,239</u></u>

The accompanying notes are an integral part of these financial statements.

CASA, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and other support:			
Gain on sale of property and equipment	\$ 841,693	\$ -	\$ 841,693
Grants	462,573	27,600	490,173
Contributions	172,505	-	172,505
Special events (including in-kind of \$5,875)	137,578	-	137,578
Investment income	14,578	-	14,578
Change in value of beneficial interest in agency endowment fund held by Community Foundation of Middle Tennessee	14,372	-	14,372
Other income	14,246	-	14,246
Net assets released from restrictions	<u>17,000</u>	<u>(17,000)</u>	<u>-</u>
Total revenue and other support	<u>1,674,545</u>	<u>10,600</u>	<u>1,685,145</u>
Expenses:			
Program services	596,019	-	596,019
General and administrative	96,125	-	96,125
Fundraising	<u>264,546</u>	<u>-</u>	<u>264,546</u>
Total expenses	<u>956,690</u>	<u>-</u>	<u>956,690</u>
Increase in net assets	717,855	10,600	728,455
NET ASSETS, BEGINNING OF THE YEAR	<u>154,583</u>	<u>-</u>	<u>154,583</u>
NET ASSETS, END OF THE YEAR	<u><u>\$ 872,438</u></u>	<u><u>10,600</u></u>	<u><u>883,038</u></u>

The accompanying notes are an integral part of these financial statements.

CASA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022

	Program Services	General and Administrative	Support Services		Total
			Fundraising	Total Support Services	
Salaries and benefits	\$ 490,842	\$ 69,873	\$ 115,288	\$ 185,161	\$ 676,003
Special events (includes in-kind of \$12,824)	-	-	67,088	67,088	67,088
Professional fees	11,057	40,690	9,130	49,820	60,877
Utilities	31,458	4,945	15,837	20,782	52,240
Fees	8,496	5,039	5,742	10,781	19,277
Supplies	7,160	8,847	2,778	11,625	18,785
Occupancy	11,819	2,904	3,677	6,581	18,400
Depreciation	7,330	459	1,374	1,833	9,163
Insurance	5,055	1,035	1,512	2,547	7,602
Travel	784	5,357	15	5,372	6,156
Outreach	4,408	392	-	392	4,800
Board and other meetings	-	3,038	903	3,941	3,941
Miscellaneous	-	2,955	-	2,955	2,955
Dues and subscriptions	75	1,976	449	2,425	2,500
Repairs and maintenance	-	195	-	195	195
Advertising	-	-	30	30	30
	<u>\$ 578,484</u>	<u>\$ 147,705</u>	<u>\$ 223,823</u>	<u>\$ 371,528</u>	<u>\$ 950,012</u>

The accompanying notes are an integral part of these financial statements.

CASA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2021

	Program Services	General and Administrative	Support Services		Total
			Fundraising	Total Support Services	
Salaries and benefits	\$ 443,556	\$ 21,257	\$ 182,285	\$ 203,542	\$ 647,098
Professional fees	4,622	60,487	25,396	85,883	90,505
Utilities	41,608	2,335	7,615	9,950	51,558
Miscellaneous	32,518	1,825	5,952	7,777	40,295
Supplies	24,836	1,394	4,546	5,940	30,776
Special events	-	-	22,392	22,392	22,392
Occupancy	14,774	829	2,704	3,533	18,307
Fees	7,530	4,550	3,608	8,158	15,688
Outreach	8,519	-	-	-	8,519
Advertising	6,738	378	1,233	1,611	8,349
Insurance	4,020	1,914	1,087	3,001	7,021
Depreciation	5,621	315	1,029	1,344	6,965
Board and other meetings	-	-	6,139	6,139	6,139
Travel	1,396	79	256	335	1,731
Dues and subscriptions	-	746	253	999	999
Repairs and maintenance	281	16	51	67	348
	<u>\$ 596,019</u>	<u>\$ 96,125</u>	<u>\$ 264,546</u>	<u>\$ 360,671</u>	<u>\$ 956,690</u>

The accompanying notes are an integral part of these financial statements.

CASA, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	\$ (13,799)	\$ 728,455
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	9,163	6,965
Realized loss on investments	1,588	-
Unrealized loss on investments	89,491	-
Gain on sale of land and property	-	(841,693)
Change in value of beneficial interest in agency endowment fund	8,807	(14,372)
Changes in operating assets and liabilities:		
(Increase) decrease in grants receivable	32,972	(4,140)
Increase in prepaid expenses	(8,445)	(5,759)
Increase in accounts payable and accrued liabilities	7,678	3,800
Decrease in deferred grant revenue	(98,469)	-
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>28,986</u>	<u>(126,744)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of land and property	-	1,050,000
Purchases of equipment	(233)	(13,655)
Sale of investments	6,466	-
Purchases of investments	(10,932)	(645,391)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>(4,699)</u>	<u>390,954</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net borrowings (payments) on line of credit	60,000	(70,000)
Payments on amount due affiliate	-	(146,083)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	<u>60,000</u>	<u>(216,083)</u>
NET INCREASE IN CASH	84,287	48,127
CASH, BEGINNING OF THE YEAR	<u>231,774</u>	<u>183,647</u>
CASH, END OF THE YEAR	<u>\$ 316,061</u>	<u>\$ 231,774</u>
<u>SUPPLEMENTAL DISCLOSURES</u>		
Cash paid during the year for interest	<u>\$ 1,930</u>	<u>\$ 1,867</u>

The accompanying notes are an integral part of these financial statements.

CASA, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2022 AND 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

CASA, Inc. ("CASA"), which stands for "Court Appointed Special Advocates", was organized in September 1984 to train and supervise volunteers to act as advocates for children in foster care in Nashville, Tennessee.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), as prescribed for not-for-profit organizations. Accordingly, net assets of CASA and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations. All contributions are considered available for general use unless specifically restricted by the donor.

Designated – Net assets designated by CASA's Board of Directors (the "Board") for particular purposes, presently designated by the Board for beneficial interest in the endowment fund.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of CASA and/or the passage of time. When a restriction expires, net with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. If a restriction is fulfilled in the same time period in which the contribution is received, the support is reported as increases to net assets without donor restrictions. For the years ended June 30, 2022 and 2021, net assets with donor restrictions totaled \$3,089 and \$10,600, respectively. Donor restrictions at June 30, 2022 were restricted to provide resources to children in foster care.

Cash and Cash Equivalents

For purposes of the statements of cash flows, CASA considers all cash funds, cash bank accounts, and highly liquid debt instruments with an original maturity of three months or less when purchased to be cash and cash equivalents. The cash accounts are held primarily by financial institutions and at times may exceed amounts that are federally insured. CASA has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk related to its cash held at financial institutions.

CASA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED JUNE 30, 2022 AND 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions and Promises to Give

Contributions are recognized as revenues when the donor makes a promise to give to CASA that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. There were no promises to give at June 30, 2022 and 2021.

Investments

Investments are presented in the financial statements at fair value. Realized gains or losses on the sale of investments and unrealized gains or losses on the changes in fair value of the investments are reflected in the statements of activities and changes in net assets in the accompanying financial statements. Investment securities are exposed to interest rate, market, credit, and other risk depending on the nature of the specific investment. Accordingly, it is reasonably possible that these factors will result in changes in the value of CASA's investments.

Grants Receivable

CASA receives grants from state and local government agencies. Management considers grants receivable to be fully collectible at June 30, 2022 and 2021; therefore, no allowance for doubtful accounts has been provided. Grant revenue is recognized in the period in which a liability is incurred for eligible expenditures under the terms of the grant.

Property and Equipment

Property and equipment are stated at cost, except those received by gift, which are stated at estimated fair market value as of the date of the gift. Expenditures for ordinary maintenance and repairs are charged to expense. Depreciation expense is computed by using the straight-line method over the estimated useful lives of the related assets, which range from five to ten years for furniture, equipment, and computers. All expenditures for property and equipment in excess of \$5,000 with a life expectancy of greater than one year are capitalized.

Donated Goods and Services

Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing these skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. CASA received a substantial amount of donated services from unpaid volunteers which did not meet the criteria for recognition. Donated assets are recognized at fair value on the date contributed.

CASA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED JUNE 30, 2022 AND 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Agency (Functional) Endowment Fund

CASA's beneficial interest in an agency (functional) endowment fund held by the Community Foundation of Middle Tennessee (the "Community Foundation") is recognized as an asset. Investment income and changes in the value of the fund are recognized in the statements of activities, and distributions received from the fund are recorded as changes in beneficial interest.

Income Taxes

CASA is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is included in the financial statements.

CASA follows the Financial Accounting Standards Board ("FASB") Accounting Standards Codification guidance related to unrecognized tax benefits. The guidance clarifies the accounting for uncertainty in income taxes recognized in an organization's financial statements. This guidance prescribes a minimum probability threshold that a tax position that is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. For the year ended June 30, 2022, CASA has no material uncertain tax positions to be accounted for in the financial statements under these rules. CASA has exempt organization tax filings open to Internal Revenue Service audit, generally, for three years after they are filed.

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 can affect certain 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. Accordingly, actual results could differ from those estimates.

Allocation of Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among program and support services based on estimated time and effort. The remaining unallocated expenses are charged directly to a specific function based on the nature of the expense.

Events Occurring After Reporting Date

CASA has evaluated events and transactions that occurred after June 30, 2022 through the date of the issued financial statements. During the period there were no material recognizable subsequent events that required recognition in the disclosures to the June 30, 2022 financial statements.

CASA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED JUNE 30, 2022 AND 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting Policies for Future Pronouncement

In February 2016, FASB issued ASU 2016-02, *Leases*. The standard requires all leases with lease terms over 12 months to be capitalized as a right of use asset and lease liability on the statement of financial position at the date of lease commencement. Leases will be classified as either finance or operating. This distinction will be relevant for the pattern of expense recognition in the statement of activities and changes in net assets. This standard will be effective for the fiscal year ending June 30, 2023. CASA is currently evaluating the effect of the implementation of this new standard.

NOTE 2 - LIQUIDITY AND AVAILABILITY

CASA regularly monitors liquidity required to meet its operating needs contractual commitments. For purposes of analyzing resources available to meet general expenditures over a 12-month period, CASA considers all expenditures related to its ongoing activities of providing programs and services to provide servicing to advocate for children in foster care as well as to conduct services undertaken to support those activities to be general expenditures.

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. 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, comprise the following at June 30, 2022 and 2021:

	2022	2021
Financial assets at year-end:		
Cash and cash equivalents	\$ 316,061	\$ 231,774
Grants receivable	8,458	41,430
Investments	564,906	651,519
Beneficial interest in agency endowment fund	65,232	74,039
Total financial assets	<u>954,657</u>	<u>998,762</u>
Less amounts not available to use for general expenditures within one year:		
Assets subject to designations	65,232	74,039
Assets subject to restrictions	3,089	10,600
Financial assets not available to be used within one year	<u>68,321</u>	<u>84,639</u>
Financial assets available to meet general expenditures within one year	<u>\$ 886,336</u>	<u>\$ 914,123</u>

CASA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED JUNE 30, 2022 AND 2021

NOTE 3 - INVESTMENTS

Investments are reported at fair value. Fair value is 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. Fair value determinations, other than those measured using the net asset value ("NAV") as a practical expedient, are made based upon a hierarchy that prioritizes the inputs to valuation techniques. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority unobservable inputs (Level 3 measurements).

Level 1 – Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 – Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs are observable for the asset and liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is the description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodology used at June 30, 2022 and 2021.

Mutual Funds – The fair values of accumulation units held by CASA in mutual fund accounts (registered investment companies) are based on each account's daily share price/NAV. The mutual fund accounts are actively traded and classified within Level 1 of the fair value hierarchy.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, while CASA believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain instruments could result in a different fair value measurement at the reporting date.

CASA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED JUNE 30, 2022 AND 2021

NOTE 3 - INVESTMENTS (CONTINUED)

Investments are stated at fair value and fair value is determined based on active markets (Level 1) and consist of the following at June 30:

	2022	2021
Exchange traded products	\$ 243,424	\$ 290,390
Equity funds	146,759	176,336
Fixed income funds	161,740	171,445
Short-term investments	<u>12,983</u>	<u>13,348</u>
	<u>\$ 564,906</u>	<u>\$ 651,519</u>

The following table summarized the net investment loss for the year ended June 30, 2022:

Realized and unrealized losses	\$ (91,079)
Interest and dividends	<u>10,932</u>
Net realized and unrealized loss	(80,147)
Investment fees	<u>(6,466)</u>
Net investment loss	<u>\$ (86,613)</u>

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30:

	2022	2021
Office furniture and equipment	\$ 18,809	\$ 20,853
Computer	<u>15,506</u>	<u>13,656</u>
	34,315	34,509
Less accumulated depreciation	<u>(23,344)</u>	<u>(14,608)</u>
Land, building, and equipment, net	<u>\$ 10,971</u>	<u>\$ 19,901</u>

Depreciation expense totaled \$9,163 and \$6,965 for the years ended June 30, 2022 and 2021, respectively.

CASA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED JUNE 30, 2022 AND 2021

NOTE 5 - BENEFICIAL INTEREST IN AGENCY ENDOWMENT FUND

CASA has a beneficial interest in CASA of Nashville Fund, an agency endowment fund held by the Community Foundation. Earnings on this fund are used to train and supervise volunteers to act as advocates for children in foster care. The fund is charged a 0.4% administrative fee annually. Upon request by CASA, income from the fund representing a specified annual return may be distributed to CASA or to another suggested beneficiary.

NOTE 6 - PAYCHECK PROTECTION PROGRAM LOAN

CASA received a Paycheck Protection Program ("PPP") loan in the amount of \$98,469 during May of 2020. The PPP loan was granted by the Small Business Administration ("SBA") under the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"). PPP loans are considered conditional contributions under ASC 958-605, *Not-for-Profit Entities – Revenue Recognition*. The loan must be repaid if CASA does not overcome certain barriers within the CARES Act. The barriers under the program include the requirement to maintain employee headcount, spend up to 60% of the loan proceeds on certain payroll and employee benefits, and restricts other loan proceeds to be used for other qualifying expenses such as mortgage interest, rent, and utilities. On March 31, 2021, CASA received notification of forgiveness for this loan from the SBA. Therefore, CASA recognized \$98,489 as grant revenue on the statement of activities and changes in net assets for the year ended June 30, 2021.

During March 2021, CASA received a second PPP loan in the amount of \$98,469 under substantially the same terms. On September 23, 2021, CASA received notification of forgiveness for this loan from the SBA. CASA recognized \$98,469 as grant revenue on the statement of activities and changes in net assets for the year end June 30, 2022. CASA has no outstanding loan balances at June 30, 2022.

NOTE 7 - LEASES

CASA leases office space and a copier under lease arrangements classified as operating leases. Total rent expense for the years ended June 30, 2022 and 2021 was \$17,856 and \$17,856, respectively. Future minimum lease payments are as follows as of June 30, 2022:

Years Ending June 30,	
<u>2023</u>	<u>\$ 20,856</u>
2024	3,456
2025	3,456
2026	288
	<u>\$ 28,056</u>

CASA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED JUNE 30, 2022 AND 2021

NOTE 8 - LINE OF CREDIT

CASA has a revolving line of credit agreement with a financial institution. The agreement provides for maximum borrowings of \$70,000. Interest is payable monthly at an annual rate of 1.0% over the bank's prime rate (4.25% at June 30, 2022), the balance outstanding is payable upon demand, and the financial institution also has the right to terminate this agreement at any time. The line of credit is collateralized by investment owned by CASA and deposits held by the financial institution. Under this agreement, \$60,000 was outstanding at June 30, 2022. No amounts were outstanding at June 30, 2021.

NOTE 9 - COMMITMENTS

Grant expenditures are subject to review and audit by the grantor agencies. Although such audits could result in disallowance of expenditures, management believes that any required reimbursements would not be significant. Accordingly, no provision has been made for potential reimbursement to the grantor.

NOTE 10 - CONCENTRATIONS OF CREDIT RISK

Contributions and granters providing at least \$10,000 of contributions and grants comprised \$470,958 or 50% of the total revenue and other support for the year ended June 30, 2022 and \$404,012 or 24% of revenue and other support for the year ended June 30, 2021.