

**CASA FOR KIDS, INC.**  
**Stillwater, Oklahoma**

**FINANCIAL STATEMENTS**  
**JUNE 30, 2021 and 2020**

**CASA FOR KIDS, INC.  
Stillwater, Oklahoma**

**CONTENTS**

	<b>Page No.</b>
<b>Independent Auditor's Report</b>	1-2
<b>Financial Statements:</b>	
Statement of Financial Position	3
Statements of Activities	4-5
Statements of Functional Expenses	6-7
Statement of Cash Flows	8
<b>Notes to the Financial Statements</b>	9-13
<b>Report Required by <i>Government Auditing Standards</i>:</b>	
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 <i>Government Auditing Standards</i>	14-15

## INDEPENDENT AUDITOR'S REPORT

August 19, 2021

To the Board of Directors of  
CASA for Kids, Inc.  
Stillwater, Oklahoma

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of CASA for Kids, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021 and 2020, and the related statements of 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***

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits 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 opinions.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CASA for Kids, Inc., as of June 30, 2021 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.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 19, 2021, on our consideration of CASA for Kids, Inc.'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 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 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 CASA for Kids, Inc.'s internal control over financial reporting and compliance.

***CBEW Professional Group, LLP***

CBEW Professional Group, LLP  
Certified Public Accountants

**CASA FOR KIDS, INC.**  
**Stillwater, Oklahoma**

**STATEMENT OF FINANCIAL POSITION**  
**June 30, 2021 and 2020**

	<b>ASSETS</b>	
	<b>June 30, 2021</b>	<b>June 30, 2020</b>
<b>Current assets:</b>		
Cash and cash equivalents	\$ 253,736	\$ 188,357
Investments	95,788	94,034
Grants receivable	14,162	19,829
Prepaid expense	638	683
<b>Total current assets</b>	<u>364,324</u>	<u>302,903</u>
<b>Fixed assets:</b>		
Property and equipment	19,835	19,835
Less accumulated depreciation	(17,699)	(15,003)
<b>Total fixed assets</b>	<u>2,136</u>	<u>4,832</u>
<b>Other assets</b>		
Deposits	1,600	1,600
<b>Total other assets</b>	<u>1,600</u>	<u>1,600</u>
<b>Total assets</b>	<u>\$ 368,060</u>	<u>\$ 309,335</u>

**LIABILITIES AND NET ASSETS**

<b>Current liabilities:</b>		
Accounts payable	\$ 289	\$ 780
Accrued payroll and payroll liabilities	3,336	8,267
<b>Total current liabilities</b>	<u>3,625</u>	<u>9,047</u>
<b>Net assets:</b>		
Net assets without donor restrictions	362,095	297,948
Net assets with donor restrictions	2,340	2,340
<b>Total net assets</b>	<u>364,435</u>	<u>300,288</u>
<b>Total liabilities and net assets</b>	<u>\$ 368,060</u>	<u>\$ 309,335</u>

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

**CASA FOR KIDS, INC.**  
**Stillwater, Oklahoma**

**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2021**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenues and public support:</b>			
Public support:			
Contributions	\$ 19,198	\$ -	\$ 19,198
Fundraising income	125,317	-	125,317
OCASAA	62,674	-	62,674
VOCA	161,580	-	161,580
United Way	40,263	-	40,263
SBA Paycheck Protection Program Forgiveness	53,000	-	53,000
In-kind contributions	4,800	-	4,800
Interest income	1,249	-	1,249
Net assets released from restrictions	-	-	-
<b>Total revenues and public support</b>	<b>\$ 468,081</b>	<b>\$ -</b>	<b>\$ 468,081</b>
<b>Expenses:</b>			
Program services	\$ 259,701	\$ -	\$ 259,701
Management and general	110,341	-	110,341
Fundraising	33,892	-	33,892
<b>Total expenses</b>	<b>403,934</b>	<b>-</b>	<b>403,934</b>
<b>Increase (decrease) in net assets</b>	<b>64,147</b>	<b>-</b>	<b>64,147</b>
<b>Net assets at beginning of year</b>	<b>297,948</b>	<b>2,340</b>	<b>300,288</b>
<b>Net assets at end of year</b>	<b>\$ 362,095</b>	<b>\$ 2,340</b>	<b>\$ 364,435</b>

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

**CASA FOR KIDS, INC.**  
**Stillwater, Oklahoma**

**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenues and public support:</b>			
Public support:			
Contributions	\$ 24,218	\$ -	\$ 24,218
Fundraising income	160,024	-	160,024
OCASAA	62,079	-	62,079
VOCA	196,421	-	196,421
United Way	37,688	-	37,688
In-kind contributions	4,800	-	4,800
Interest income	1,429	-	1,429
Net assets released from restrictions	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total revenues and public support</b>	<b>\$ 486,659</b>	<b>\$ -</b>	<b>\$ 486,659</b>
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Expenses:</b>			
Program services	\$ 292,634	\$ -	\$ 292,634
Management and general	91,945	-	91,945
Fundraising	67,080	-	67,080
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total expenses</b>	<b>451,659</b>	<b>-</b>	<b>451,659</b>
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Increase (decrease) in net assets</b>	<b>35,000</b>	<b>-</b>	<b>35,000</b>
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Net assets at beginning of year</b>	<b>262,948</b>	<b>2,340</b>	<b>265,288</b>
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Net assets at end of year</b>	<b>\$ 297,948</b>	<b>\$ 2,340</b>	<b>\$ 300,288</b>
	<u>          </u>	<u>          </u>	<u>          </u>

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

**CASA FOR KIDS, INC.**  
**Stillwater, Oklahoma**

**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended June 30, 2021**

	<u>Program Services</u>	<u>Mgmt &amp; General</u>	<u>Fund Raising</u>	<u>Total</u>
<b>Compensation &amp; related expenses:</b>				
Salaries	\$ 168,763	\$ 59,797	\$ 4,466	\$ 233,026
Employee benefits	25,029	8,870	662	34,561
Payroll taxes	13,251	4,695	351	18,297
<b>Total</b>	<b>207,043</b>	<b>73,362</b>	<b>5,479</b>	<b>285,884</b>
<b>Operational expenses:</b>				
Advertising and public relations	1,768	40	-	1,808
Background checks	1,433	-	-	1,433
Depreciation	2,197	499	-	2,696
Dues and subscriptions	1,545	2,739	-	4,284
Fundraiser expense	-	-	28,413	28,413
Grant assessments	-	6,969	-	6,969
Insurance	5,561	1,264	-	6,825
Office and postage expense	4,324	788	-	5,112
Professional fees	-	10,220	-	10,220
Rent	19,200	4,800	-	24,000
Repairs and maintenance	562	4,136	-	4,698
Staff meetings and trainings	1,574	4,057	-	5,631
Telephone	3,464	787	-	4,251
Travel	2,908	308	-	3,216
Utilities	1,637	372	-	2,009
Volunteer expenses	6,485	-	-	6,485
<b>Total expenses</b>	<b>\$ 259,701</b>	<b>\$ 110,341</b>	<b>\$ 33,892</b>	<b>\$ 403,934</b>

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

**CASA FOR KIDS, INC.**  
**Stillwater, Oklahoma**

**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended June 30, 2020**

	<u>Program Services</u>	<u>Mgmt &amp; General</u>	<u>Fund Raising</u>	<u>Total</u>
<b>Compensation &amp; related expenses:</b>				
Salaries	\$ 187,862	\$ 48,775	\$ 23,999	\$ 260,636
Employee benefits	30,774	7,990	3,931	42,695
Payroll taxes	14,832	3,851	1,895	20,578
<b>Total</b>	<b>233,468</b>	<b>60,616</b>	<b>29,825</b>	<b>323,909</b>
<b>Operational expenses:</b>				
Advertising and public relations	361	663	-	1,024
Background checks	3,439	800	-	4,239
Depreciation	2,832	644	-	3,476
Dues and subscriptions	1,800	3,233	-	5,033
Fundraiser expense	-	-	37,255	37,255
Grant assessments	-	998	-	998
Insurance	5,277	1,199	-	6,476
Office and postage expense	2,756	3,626	-	6,382
Professional fees	-	9,120	-	9,120
Rent	19,200	4,800	-	24,000
Repairs and maintenance	1,812	3,782	-	5,594
Staff meetings and trainings	5,126	1,229	-	6,355
Telephone	3,554	808	-	4,362
Travel	4,628	114	-	4,742
Utilities	1,375	313	-	1,688
Volunteer expenses	7,006	-	-	7,006
<b>Total expenses</b>	<b>\$ 292,634</b>	<b>\$ 91,945</b>	<b>\$ 67,080</b>	<b>\$ 451,659</b>

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

**CASA FOR KIDS, INC.**  
**Stillwater, Oklahoma**

**STATEMENT OF CASH FLOWS**  
**For the Years Ended June 30, 2021 and 2020**

	<b>June 30, 2021</b>	<b>June 30, 2020</b>
<b>Cash flows from operating activities:</b>		
Increase (decrease) in net assets	\$ 64,147	\$ 35,000
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	2,696	3,476
(Increase) decrease in operating assets:		
Grants receivable	5,667	3,700
Prepaid expense	45	3,199
Deposits	-	-
Increase (decrease) in operating liabilities:		
Accounts payable	(491)	(1,137)
Accrued expenses	(4,931)	2,864
	<u>67,133</u>	<u>47,102</u>
<b>Net cash provided by (used in) operating activities</b>		
<b>Cash flows from investing activities:</b>		
Acquisition of property and equipment	-	-
(Purchase) liquidation of investments	(1,754)	(1,406)
	<u>(1,754)</u>	<u>(1,406)</u>
<b>Net cash used in investing activities</b>		
<b>Net increase (decrease) in cash and cash equivalents</b>	65,379	45,696
<b>Cash and cash equivalents, beginning of year</b>	<u>188,357</u>	<u>142,661</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 253,736</u>	<u>\$ 188,357</u>

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

**CASA FOR KIDS, INC.**  
**Stillwater, Oklahoma**

**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021 and 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Nature of Activities**

CASA for Kids, Inc. operates as a nonprofit organization with offices located in Payne and Logan Counties. The Organization's was established to provide trained community volunteers to advocate for the best interest of children who come into the court system primarily as a result of abuse and neglect.

CASA for Kids, Inc., is a nonprofit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes. The Organization has been classified as an organization that is not a private foundation under Section 509(a) of the Internal Revenue Code.

**B. Basis of Accounting**

The financial statements of the Organization are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Their revenues are recognized when they are earned and their expenses are recognized when they are incurred.

**Net Assets Without Donor Restrictions** – Net assets that are not subject to donor-imposed stipulations.

**Net Assets With Donor Restrictions** – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Center and/or the passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**C. Cash and Cash Equivalents**

For purposes of statement of cash flows, the Organization considers cash and all highly liquid investments with an initial maturity of three months or less to be cash equivalents. All bank deposits are held with banks located in Oklahoma that are insured by either the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Administration (NCUA). Cash will periodically exceed the FDIC limit.

**D. Property and Equipment**

Depreciable assets are recorded at cost when purchased or at the estimated acquisition value at the time of contribution. Depreciation is calculated on a straight-line basis over the estimated useful lives of the depreciable assets. It is the Organization's policy to capitalize property and equipment over \$1,000. Lesser amounts are expensed.

**E. Public Support and Revenue**

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Unconditional promises to give are recorded as received.

Grants and other contributions of cash and other assets are reported as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting periods are treated as net assets without donor restrictions.

**CASA FOR KIDS, INC.**  
**Stillwater, Oklahoma**

**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021 and 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Contributed Services and In-Kind Contributions**

CASA for Kids, Inc., receives a substantial amount of services donated by its members in carrying out the Organization's mission. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically be purchased if not provided by donation, are recorded at their fair values in the period received because they meet the criteria for recognition under *FASB Accounting Standards Codification (ASC) 958-606, Accounting for Contributions Received and Contributions Made*. Contributions of donated non-cash assets are recorded at their acquisition values in the period received. In 2021 and 2020, in-kind contributions received totaled \$4,800 for rental facilities.

**G. Fair Value of Financial Instruments and Investments**

The financial instruments of CASA for Kids, Inc., include cash and cash equivalents, certificates of deposit, grants receivable, and accounts payable. The Organization's estimate of the fair value of all financial instruments does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial condition. The carrying amount of these financial instruments approximates fair value because of their short maturity.

All of the entity's investments are composed of certificates of deposit with an original maturity of over one year.

**H. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts 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.

**I. Inventories**

Inventories consist primarily of purchased items held for consumption. Administrative supplies are expensed when acquired. No material inventory was on hand at June 30, 2021 and 2020.

**J. Income Taxes**

CASA for Kids, Inc., is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. As a result, no provision for current or deferred income tax liability is recognized in the Center's books and records. The Organization has filed all applicable tax returns. Federal and state income tax statutes dictate that tax returns filed in any of the previous three reporting periods remain open to examination. Currently, CASA for Kids, Inc., has no open examination with either the Internal Revenue Service or state taxing authorities.

**CASA FOR KIDS, INC.**  
**Stillwater, Oklahoma**

**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021 and 2020**

**2. DETAILED NOTES CONCERNING THE FUNDS**

**A. Grants Receivable**

Grants receivable are deemed to be fully collectible by management and are composed of the following accounts:

	<u>June 30,</u> <u>2021</u>	<u>June 30,</u> <u>2020</u>	
VOCA	\$ 11,048	\$ 15,368	
OCASAA	3,114	4,461	
Total grants receivable	<u>\$ 14,162</u>	<u>\$ 19,829</u>	

**B. Fixed Assets**

	<u>Balance</u> <u>June 30,</u> <u>2020</u>	<u>Additions and</u> <u>Reclassifications</u>	<u>Disposals</u>	<u>Balance</u> <u>June 30,</u> <u>2021</u>
Office equipment	18,820	-	-	18,820
Furniture and fixtures	1,015	-	-	1,015
Total	19,835	-	-	19,835
Less: accumulated depreciation	(15,003)	(2,696)	-	(17,699)
Net	<u>\$ 4,832</u>	<u>\$ (2,696)</u>	<u>\$ -</u>	<u>\$ 2,136</u>

	<u>Balance</u> <u>June 30,</u> <u>2019</u>	<u>Additions and</u> <u>Reclassifications</u>	<u>Disposals</u>	<u>Balance</u> <u>June 30,</u> <u>2020</u>
Office equipment	18,820	-	-	18,820
Furniture and fixtures	1,015	-	-	1,015
Total	19,835	-	-	19,835
Less: accumulated depreciation	(11,527)	(3,476)	-	(15,003)
Net	<u>\$ 8,308</u>	<u>\$ (3,476)</u>	<u>\$ -</u>	<u>\$ 4,832</u>

Total depreciation for 2021 and 2020 was \$2,696 and \$3,476, respectively.

**C. Compensated Absences**

It is the Organization's policy to permit employees to earn paid leave based on a tiered schedule. Employees are able to carry forward any unused hours to the next year (maximum accumulation is 384 hours). The unused portion is not paid upon severance with the Organization, and thus, not reported on the financial statements.

**D. SBA Paycheck Protection Program**

On August 6, 2020, CASA for Kids, Inc., applied for and was approved a \$53,000 loan under the Paycheck Protection Program created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration. On March 1, 2021, the Organization received a notice from the bank that the loan had been approved for full forgiveness and is recorded as revenue.

**CASA FOR KIDS, INC.**  
**Stillwater, Oklahoma**

**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021 and 2020**

**3. RISK MANAGEMENT**

The Organization is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employee health benefits; unemployment; and natural disasters. The Organization purchases commercial insurance for these and other risks of loss.

**4. CONTINGENCIES**

Grant expenditures are subject to financial and compliance audits by the grantor agencies or their representatives. Such audits could lead to requests for reimbursements to the grantor agency for expenditures that are disallowed under the terms of the grant. The Organization believes that the amount of the expenditures that could be disallowed by the grantor agencies, if any, would not be significant.

**5. OPERATING LEASE**

CASA for Kids, Inc., leases office space and office equipment under non-cancelable operating leases with monthly payments ranging from \$105 to \$1,600. The unadjusted annual future minimum rental payments on leases are as follows:

Year Ending June 30,	Totals
2022	20,463
2023	20,463
2024	6,716
Total	\$ 47,642

**6. EMPLOYEE RETIREMENT PLAN**

Effective September 15, 2015, CASA for Kids, Inc., approve a Simple IRA plan that covers all full-time employees. The Organization contributes up to a maximum of 3% of eligible participants' annual wages. Contributions to the plan by CASA for Kids, Inc., for 2021 and 2020 were \$1,438 and \$2,966.

**7. LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet, comprise of the following:

	<b>2021</b>	<b>2020</b>
Cash and cash equivalents	\$ 253,736	\$ 188,357
Investments	95,788	94,034
Grants receivable	14,162	19,829
<b>Financial assets, at year-end</b>	<b>363,686</b>	<b>302,220</b>
Net assets with restrictions	(2,340)	(2,340)
<b>Financial assets available to meet cash needs for general expenditures within one year</b>	<b>\$ 361,346</b>	<b>\$ 299,880</b>

**CASA FOR KIDS, INC.**  
**Stillwater, Oklahoma**

**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021 and 2020**

**7. LIQUIDITY AND AVAILABILITY (Continued)**

In 2021, CASA for Kids, Inc., had \$363,686 of financial assets available at year end. Of that amount, \$2,340 is restricted for use as designated by the donor for technology equipment. At year end, the Organization had \$361,346 of financial assets available within 1 year of the balance sheet date to meet cash needs for general expenditures. In 2020, CASA for Kids, Inc., had \$302,220 of financial assets available at year end. Of that amount, \$2,340 is restricted for use as designated by the donor. At year end, the Organization had \$299,880 of financial assets available within 1 year of the balance sheet date to meet cash needs for general expenditures.

CASA for Kids, Inc., is primarily supported through contributions, fundraising (special event), grants, and other revenues. The Organization manages its liquidity by developing and adopting an annual operating budget that provides sufficient funds for general expenditures in meeting its liabilities and other obligations as they come due. As part of the Organization's liquidity management, cash balances in excess of daily requirements are invested in interest-bearing accounts.

**8. FUNCTIONAL EXPENSES**

Per requirement of FASB ASU 2016-14, CASA for Kids, Inc., adopted a policy for allocation of functional expenses. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation, and amortization, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology and communication, interest, insurance, and other which are allocated on the basis of estimates of time, effort, and specific use.

**9. NEW ACCOUNTING PRONOUNCEMENTS**

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), which requires lessees to recognize leases on the balance sheet and disclose key information about leasing arrangements. The new standard establishes a right-of-use (ROU) model that requires a lessee to recognize a ROU asset and lease liability on the statement of financial position for most leases with a term longer than 12 months. Leases will be classified as finance or operating, with classification affecting the pattern and classification of the expense recognition in the statement of activities. The effective date for this standard has been delayed to annual reporting periods beginning after December 15, 2020.

**10. SUBSEQUENT EVENTS**

Management has evaluated subsequent events and transactions through the date of the audit report, which is the date the financial statements were available to be issued. Management continues to evaluate the impact of the COVID-19 pandemic on the industry and has concluded that while it is reasonably possible that the virus could have a negative effect on the Organization's financial position and results of its operations, the specific impact is not readily determinable as of the date of these financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

**CASA FOR KIDS, INC.**  
**Stillwater, Oklahoma**

**REPORT REQUIRED BY GOVERNMENT AUDITING STANDARDS**  
**JUNE 30, 2021**

**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**

August 19, 2021

To the Board of Directors of  
CASA for Kids, Inc.  
Stillwater, Oklahoma

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 CASA for Kids, Inc. (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 August 19, 2021.

***Internal Control Over Financial Reporting***

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

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 CASA for Kids, Inc.'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 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.

***CBEW Professional Group, LLP***

CBEW Professional Group, LLP  
Certified Public Accountants