

CASA FOR KIDS, INC.
Stillwater, Oklahoma

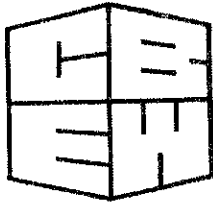
FINANCIAL STATEMENTS
JUNE 30, 2022 and 2021

CASA FOR KIDS, INC.
Stillwater, Oklahoma

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INDEPENDENT AUDITOR'S REPORT

August 31, 2022

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

Opinion

We have audited the financial statements of CASA for Kids, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022 and 2021, 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 accompanying financial statements present fairly, in all material respects, the financial position of CASA for Kids, Inc., as of June 30, 2022 and 2021, 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.

Basis for Opinion

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. 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 for Kids, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 for Kids, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 and *Government 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 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 and *Government 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 for Kids, 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 for Kids, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2022, 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, 2022 and 2021

	ASSETS	
	June 30, 2022	June 30, 2021
Current assets:		
Cash and cash equivalents	\$ 293,246	\$ 253,736
Investments	96,016	95,788
Accounts receivable	5,000	-
Grants receivable	14,542	14,162
Prepaid expense	4,757	638
Total current assets	<u>413,561</u>	<u>364,324</u>
Fixed assets:		
Property and equipment	19,835	19,835
Less accumulated depreciation	(19,835)	(17,699)
Total fixed assets	<u>-</u>	<u>2,136</u>
Other assets		
Deposits	1,975	1,600
Total other assets	<u>1,975</u>	<u>1,600</u>
Total assets	<u>\$ 415,536</u>	<u>\$ 368,060</u>

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable	\$ 187	\$ 289
Accrued payroll and payroll liabilities	4,897	3,336
Total current liabilities	<u>5,084</u>	<u>3,625</u>
Net assets:		
Net assets without donor restrictions	408,112	362,095
Net assets with donor restrictions	2,340	2,340
Total net assets	<u>410,452</u>	<u>364,435</u>
Total liabilities and net assets	<u>\$ 415,536</u>	<u>\$ 368,060</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, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues and public support:			
Public support:			
Contributions	\$ 49,955	\$ -	\$ 49,955
Fundraising income	178,750	-	178,750
OCASAA	45,095	-	45,095
VOCA	117,130	-	117,130
United Way	39,625	-	39,625
In-kind contributions	23,223	-	23,223
Net investment income	363	-	363
Net assets released from restrictions	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues and public support	\$ 454,141	\$ -	\$ 454,141
	<hr/>	<hr/>	<hr/>
Expenses:			
Program services	\$ 299,815	\$ -	\$ 299,815
Management and general	43,615	-	43,615
Fundraising	64,694	-	64,694
	<hr/>	<hr/>	<hr/>
Total expenses	408,124	-	408,124
	<hr/>	<hr/>	<hr/>
Increase (decrease) in net assets	46,017	-	46,017
	<hr/>	<hr/>	<hr/>
Net assets at beginning of year	362,095	2,340	364,435
	<hr/>	<hr/>	<hr/>
Net assets at end of year	\$ 408,112	\$ 2,340	\$ 410,452
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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

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and public support:			
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
Net investment income	1,249	-	1,249
Net assets released from restrictions	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues and public support	\$ 468,081	\$ -	\$ 468,081
	<hr/>	<hr/>	<hr/>
Expenses:			
Program services	\$ 259,701	\$ -	\$ 259,701
Management and general	110,341	-	110,341
Fundraising	33,892	-	33,892
	<hr/>	<hr/>	<hr/>
Total expenses	403,934	-	403,934
	<hr/>	<hr/>	<hr/>
Increase (decrease) in net assets	64,147	-	64,147
	<hr/>	<hr/>	<hr/>
Net assets at beginning of year	297,948	2,340	300,288
	<hr/>	<hr/>	<hr/>
Net assets at end of year	\$ 362,095	\$ 2,340	\$ 364,435
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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, 2022

	<u>Program Services</u>	<u>Mgmt & General</u>	<u>Fund Raising</u>	<u>Total</u>
Compensation & related expenses:				
Salaries	\$ 177,997	\$ 22,719	\$ 1,663	\$ 202,379
Employee benefits	24,944	3,065	224	28,233
Payroll taxes	13,719	1,765	129	15,613
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Total	216,660	27,549	2,016	246,225
Operational expenses:				
Advertising and public relations	1,307	-	-	1,307
Background checks	2,546	-	-	2,546
Depreciation	1,922	214	-	2,136
Dues and subscriptions	862	75	-	937
Fundraiser expense	-	-	62,678	62,678
Grant assessments	3,245	-	-	3,245
Information technology	2,499	51	-	2,550
Insurance	5,704	1,297	-	7,001
Office and postage expense	10,194	537	-	10,731
Professional fees	-	11,482	-	11,482
Rent	26,415	960	-	27,375
Staff meetings and trainings	2,224	587	-	2,811
Telephone	5,789	305	-	6,094
Travel	5,641	558	-	6,199
Utilities	2,563	-	-	2,563
Volunteer expenses	12,244	-	-	12,244
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses	<u>\$ 299,815</u>	<u>\$ 43,615</u>	<u>\$ 64,694</u>	<u>\$ 408,124</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 & General</u>	<u>Fund Raising</u>	<u>Total</u>
Compensation & related expenses:				
Salaries	\$ 168,763	\$ 59,797	\$ 4,466	\$ 233,026
Employee benefits	25,029	8,870	662	34,561
Payroll taxes	<u>13,251</u>	<u>4,695</u>	<u>351</u>	<u>18,297</u>
Total	207,043	73,362	5,479	285,884
Operational expenses:				
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	<u>6,485</u>	<u>-</u>	<u>-</u>	<u>6,485</u>
Total expenses	<u>\$ 259,701</u>	<u>\$ 110,341</u>	<u>\$ 33,892</u>	<u>\$ 403,934</u>

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, 2022 and 2021

	<u>June 30,</u> <u>2022</u>	<u>June 30,</u> <u>2021</u>
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 46,017	\$ 64,147
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	2,136	2,696
(Increase) decrease in operating assets:		
Accounts receivable	(5,000)	-
Grants receivable	(380)	5,667
Prepaid expense	(4,119)	45
Deposits	(375)	-
Increase (decrease) in operating liabilities:		
Accounts payable	(102)	(491)
Accrued expenses	1,561	(4,931)
	<u>39,738</u>	<u>67,133</u>
Net cash provided by (used in) operating activities		
Cash flows from investing activities:		
Acquisition of property and equipment	-	-
(Purchase) liquidation of investments	(228)	(1,754)
	<u>(228)</u>	<u>(1,754)</u>
Net cash used in investing activities		
	<u>(228)</u>	<u>(1,754)</u>
Net increase (decrease) in cash and cash equivalents	39,510	65,379
Cash and cash equivalents, beginning of year	<u>253,736</u>	<u>188,357</u>
Cash and cash equivalents, end of year	<u>\$ 293,246</u>	<u>\$ 253,736</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, 2022 and 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Activities

CASA for Kids, Inc. operates as a nonprofit organization with offices located in Payne, Logan, and Kay 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). All cash deposits are entirely covered by FDIC or NCUA.

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. 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.

A portion of the Organization's revenue is derived from government cost-reimbursable 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. At June 30, 2022 and 2021, there were no refundable advances recorded.

CASA FOR KIDS, INC.
Stillwater, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022 and 2021

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. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. In the year ending June 30, 2022, 90 CASA for Kids volunteers advocated for 162 children donating over 5,500 hours and driving over 44,600 miles. In the year ending June 30, 2021, 110 CASA for Kids volunteers advocated for 212 children donating over 6,600 hours and driving over 53,500 miles. These services have not been recognized in the accompanying statements of activities for the years ended June 30, 2022 and 2021, as they do not meet the requirements for recognition.

The Organization also receives the use of donated facilities for its program operations and supporting services. The Organization recognizes in-kind contribution revenue and a corresponding expense in an amount approximating the estimated fair value at the time of the donation. The total amount recognized for donated facilities is \$4,800 for each of the years ended June 30, 2022 and 2021, and is allocated among program and supporting services based upon the square footage occupied.

CASA for Kids received in-kind contributions of nonfinancial assets for use at the organization's annual gala held in February 2022 for fundraising purposes. The organization valued the contributions at \$18,423 using the estimated fair value at the time of the donation.

G. Fair Value of Financial Instruments and Investments

The financial instruments of CASA for Kids, Inc. include cash and cash equivalents, certificates of deposit, stock investments, 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.

FASB ASC 820-10 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted observable quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy under FASB ASC 820-10 are described below:

Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly;

Level 3 Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. All of the entity's investments are determined to be Level 1.

CASA FOR KIDS, INC.
Stillwater, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022 and 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Fair Value of Financial Instruments and Investments (Continued)

The following tables set forth by level, within the fair value hierarchy, the CASA for Kids, Inc.'s assets at fair value as of June 30, 2022 and 2021:

Assets at Fair Value as of June 30, 2022				
	Level 1	Level 2	Level 3	Total
Stocks	\$ 384	\$ -	\$ -	\$ 384
Total assets at fair value	\$ 384	\$ -	\$ -	\$ 384

Assets at Fair Value as of June 30, 2021				
	Level 1	Level 2	Level 3	Total
Stocks	\$ 510	\$ -	\$ -	\$ 510
Total assets at fair value	\$ 510	\$ -	\$ -	\$ 510

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. The primary estimates are the allocation of expenses to functional categories.

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, 2022 and 2021.

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.

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:

	June 30, 2022	June 30, 2021
VOCA	\$ 11,924	\$ 11,048
OCASAA	2,618	3,114
Total grants receivable	\$ 14,542	\$ 14,162

CASA FOR KIDS, INC.
Stillwater, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022 and 2021

2. DETAILED NOTES CONCERNING THE FUNDS (Continued)

B. Fixed Assets

	Balance June 30, 2021	Additions and Reclassifications	Disposals	Balance June 30, 2022
Office equipment	18,820	-	-	18,820
Furniture and fixtures	1,015	-	-	1,015
Total	19,835	-	-	19,835
Less: accumulated depreciation	(17,699)	(2,136)	-	(19,835)
Net	\$ 2,136	\$ (2,136)	\$ -	\$ -

	Balance June 30, 2020	Additions and Reclassifications	Disposals	Balance June 30, 2021
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	\$ 4,832	\$ (2,696)	\$ -	\$ 2,136

Total depreciation for 2022 and 2021 was \$2,136 and \$2,696, 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 for the year end June 30, 2021.

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.

CASA FOR KIDS, INC.
Stillwater, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022 and 2021

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
2023	20,463
2024	6,716
Total	\$ <u>27,179</u>

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 2022 and 2021 were \$1,112 and \$1,438, respectively.

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:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 293,246	\$ 253,736
Investments	96,016	95,788
Accounts and grants receivable	<u>19,542</u>	<u>14,162</u>
Financial assets, at year-end	408,804	363,686
Net assets with restrictions	(2,340)	(2,340)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 406,464</u>	<u>\$ 361,346</u>

In 2022, CASA for Kids, Inc., had \$408,804 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 \$406,464 of financial assets available within 1 year of the balance sheet date to meet cash needs for general expenditures. 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.

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.

CASA FOR KIDS, INC.
Stillwater, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022 and 2021

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

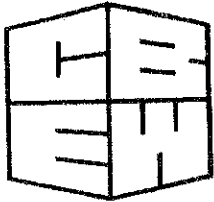
In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), which requires lessees to recognize leases on the balance sheet and disclose key information about leasing arrangements. The new standard establishes a right-of-use (ROU) model that requires a lessee to recognize a ROU asset and lease 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, 2021.

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, 2022



CBEW
Professional
Group, LLP
Certified Public Accountants

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**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 31, 2022

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, 2022, 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 31, 2022.

Report on 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 opinion 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 or significant deficiencies may exist that were not identified.

Report on 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 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.

CBEW Professional Group, LLP

CBEW Professional Group, LLP
Certified Public Accountants