

CASA OF ST. LOUIS
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
FOR THE YEARS ENDED
JUNE 30, 2023 AND 2022

CASA of St. Louis

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
CASA of St. Louis
St. Louis, Missouri

Opinion

We have audited the accompanying financial statements of CASA of St. Louis (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 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 of St. Louis as of June 30, 2023 and 2022, 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. 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 of St. Louis 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 of St. Louis'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 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, 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 of St. Louis'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 of St. Louis'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.

Schmersahl Treloar & Co.

St. Louis, Missouri
November 29, 2023

FINANCIAL STATEMENTS

CASA of St Louis
STATEMENTS OF FINANCIAL POSITION

ASSETS

	June 30,	
	2023	2022
CURRENT ASSETS		
Cash and cash equivalents	2,018,892	1,703,565
Grants receivable	330,898	339,594
Prepaid expenses and other assets	9,808	6,381
Total Current Assets	2,359,598	2,049,540
RIGHT-OF-USE ASSET	22,695	-
GRANTS RECEIVABLE, NONCURRENT	100,000	50,000
PROPERTY AND EQUIPMENT, NET	32,357	29,712
TOTAL ASSETS	\$ 2,514,650	\$ 2,129,252

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 38,553	\$ 17,672
Accrued expenses	54,380	141,488
Current portion, operating lease liability	5,137	-
Total Current Liabilities	98,070	159,160
LONG TERM LEASE LIABILITY	17,558	-
Total Liabilities	115,628	159,160
NET ASSETS		
Without donor restrictions		
Board designated	1,000,000	1,000,000
Undesignated	1,075,608	745,692
Total Net Assets without Donor Restrictions	2,075,608	1,745,692
With donor restrictions		
Time restricted for future periods	323,414	199,709
Purpose restrictions	-	24,691
Total Net Assets with Donor Restrictions	323,414	224,400
Total Net Assets	2,399,022	1,970,092
TOTAL LIABILITIES AND NET ASSETS	\$ 2,514,650	\$ 2,129,252

See accompanying notes to financial statements

CASA of St. Louis
STATEMENTS OF ACTIVITIES

	<u>Year Ended June 30, 2023</u>			<u>Year Ended June 30, 2022</u>		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Contributions	\$ 796,406	\$ 205,500	\$ 1,001,906	683,034	\$ 16,500	\$ 699,534
Grants	840,875	124,039	964,914	867,225	84,109	951,334
Paycheck Protection Program Grant (Note F)	-	-	-	326,045	-	326,045
Program income	-	-	-	10,771	-	10,771
Special events, net cost of direct benefits to donors of \$3,274 and \$3,951 for the years ended June 30, 2023 and 2022, respectively	60,013	-	60,013	32,007	-	32,007
Contributions on nonfinancial assets	90,000	-	90,000	90,000	-	90,000
Investment return, net of fees	37,325	-	37,325	22,022	-	22,022
Miscellaneous revenue	-	-	-	2,835	-	2,835
Net assets released from program and time restrictions	<u>230,525</u>	<u>(230,525)</u>	<u>-</u>	<u>309,050</u>	<u>(309,050)</u>	<u>-</u>
Total Support and Revenue	<u>2,055,144</u>	<u>99,014</u>	<u>2,154,158</u>	<u>2,342,989</u>	<u>(208,441)</u>	<u>2,134,548</u>
EXPENSES						
Program	1,288,470	-	1,288,470	1,252,536	-	1,252,536
Management and general	219,077	-	219,077	214,644	-	214,644
Fundraising	<u>217,681</u>	<u>-</u>	<u>217,681</u>	<u>221,293</u>	<u>-</u>	<u>221,293</u>
Total Expenses	<u>1,725,228</u>	<u>-</u>	<u>1,725,228</u>	<u>1,688,473</u>	<u>-</u>	<u>1,688,473</u>
CHANGE IN NET ASSETS	329,916	99,014	428,930	654,516	(208,441)	446,075
NET ASSETS, Beginning of year	<u>1,745,692</u>	<u>224,400</u>	<u>1,970,092</u>	<u>1,091,176</u>	<u>432,841</u>	<u>1,524,017</u>
NET ASSETS, End of year	<u>\$ 2,075,608</u>	<u>\$ 323,414</u>	<u>\$ 2,399,022</u>	<u>\$ 1,745,692</u>	<u>\$ 224,400</u>	<u>\$ 1,970,092</u>

See accompanying notes to financial statements

CASA of St Louis
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2023

	Program	Management and General	Fund- raising	Cost of Direct Benefits to Donors	Total
EXPENSES					
Salaries and wages	\$ 898,335	\$ 74,483	\$ 150,931	\$ -	\$ 1,123,749
Payroll taxes	80,563	6,680	13,536	-	100,779
Other employee benefits	<u>115,831</u>	<u>9,604</u>	<u>19,461</u>	<u>-</u>	<u>144,896</u>
 Total salaries and related expenses	 1,094,729	 90,767	 183,928	 -	 1,369,424
 Professional fees and contract services	 44,004	 106,174	 3,292	 -	 153,470
Contributed facilities	71,883	5,994	12,123	-	90,000
Supplies	25,222	8,463	5,888	-	39,573
Depreciation	11,711	976	1,975	-	14,662
 Utilities and telephone	 11,147	 1,779	 1,091	 -	 14,017
Insurance	9,374	782	1,641	-	11,797
Rent	8,222	-	-	-	8,222
Seminars and conferences	6,707	-	-	-	6,707
 Postage and shipping	 436	 675	 3,601	 -	 4,712
Travel	3,587	473	391	-	4,451
Other	409	310	3,157	-	3,876
Special events	-	-	-	3,274	3,274
 Advertising	 534	 2,390	 -	 -	 2,924
Publications and memberships	<u>505</u>	<u>294</u>	<u>594</u>	<u>-</u>	<u>1,393</u>
	1,288,470	219,077	217,681	3,274	1,728,502
Less expenses included with support and revenue on the Statements of Activities					
Cost of direct benefits to donors	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,274)</u>	<u>(3,274)</u>
 Total Expenses	 <u>\$ 1,288,470</u>	 <u>\$ 219,077</u>	 <u>\$ 217,681</u>	 <u>\$ -</u>	 <u>\$ 1,725,228</u>
 Percentage of Total Expenses	 <u>74.7%</u>	 <u>12.7%</u>	 <u>12.6%</u>	 <u>0.0%</u>	 <u>100.0%</u>

See accompanying notes to financial statements

CASA of St Louis
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2022

	Program	Management and General	Fund- raising	Cost of Direct Benefits to Donors	Total
EXPENSES					
Salaries and wages	\$ 887,799	\$ 78,931	\$ 159,554	\$ -	\$ 1,126,284
Payroll taxes	73,817	6,563	13,266	-	93,646
Other employee benefits	<u>104,961</u>	<u>9,332</u>	<u>18,864</u>	<u>-</u>	<u>133,157</u>
 Total salaries and related expenses	 1,066,577	 94,826	 191,684	 -	 1,353,087
 Professional fees and contract services	 36,252	 101,217	 2,884	 -	 140,353
Contributed facilities	71,034	6,166	12,800	-	90,000
Supplies	20,278	8,426	3,399	-	32,103
Depreciation	10,097	877	1,819	-	12,793
 Utilities and telephone	 12,448	 1,028	 1,139	 -	 14,615
Insurance	8,895	772	1,603	-	11,270
Rent	8,670	-	-	-	8,670
Seminars and conferences	10,454	40	192	-	10,686
	-	-	-	-	-
Postage and shipping	933	124	2,585	-	3,642
Travel	2,972	90	204	-	3,266
Other	2,239	651	2,844	-	5,734
Special events	-	-	-	3,951	3,951
 Advertising	 1,229	 -	 -	 -	 1,229
Publications and memberships	458	427	140	-	1,025
	<u>1,252,536</u>	<u>214,644</u>	<u>221,293</u>	<u>3,951</u>	<u>1,692,424</u>
Less expenses included with support and revenue on the Statements of Activities					
Cost of direct benefits to donors	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,951)</u>	<u>(3,951)</u>
 Total Expenses	 <u>\$ 1,252,536</u>	 <u>\$ 214,644</u>	 <u>\$ 221,293</u>	 <u>\$ -</u>	 <u>\$ 1,688,473</u>
 Percentage of Total Expenses	 <u>74.1%</u>	 <u>12.8%</u>	 <u>13.1%</u>	 <u>0.0%</u>	 <u>100.0%</u>

See accompanying notes to financial statements

CASA of St Louis
STATEMENTS OF CASH FLOWS

	Years Ended June 30,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 428,930	\$ 446,075
Adjustments to reconcile change in net assets to net change in cash from operating activities:		
Depreciation	14,662	12,793
Donated securities	(25,159)	(74,608)
Proceeds from sales of donated securities	28,451	74,608
Realized and unrealized gain on investments	(3,298)	(22,004)
Paycheck protection program grant	-	(326,045)
Reduction in carrying amount of operating lease ROU asset	4,198	-
(Increase) decrease in assets:		
Grants receivable	(41,304)	133,805
Prepaid expenses and other assets	(3,427)	572
Increase (decrease) in liabilities:		
Accounts payable	20,881	2,726
Accrued expenses	(87,108)	(5,196)
Operating lease liability	(4,198)	-
 Net Change in Cash and Cash Equivalents from Operating Activities	 <u>332,628</u>	 <u>242,726</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(17,307)	(20,000)
Redemption of investments	32,000	210,351
Purchase of investments	(31,994)	(50,381)
 Net Change in Cash and Cash Equivalents from Investing Activities	 <u>(17,301)</u>	 <u>139,970</u>
 NET CHANGE IN CASH AND CASH EQUIVALENTS	 315,327	 382,696
 CASH AND CASH EQUIVALENTS, Beginning of year	 <u>1,703,565</u>	 <u>1,320,869</u>
 CASH AND CASH EQUIVALENTS, End of year	 <u>\$ 2,018,892</u>	 <u>\$ 1,703,565</u>
 Operating lease right-of-use asset obtained in exchange for operating lease liability upon adoption of ASU 842	 <u>\$ 26,893</u>	 <u>\$ -</u>

See accompanying notes to financial statements

CASA of St. Louis
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

A. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization

CASA of St. Louis (the “Organization”), a nonprofit organization, advocates for abused and neglected children and youth in St. Louis, Missouri by representing their best interests in court and in the community. The Organization’s teams of child advocacy attorneys, social workers, and Court Appointed Special Advocates (CASA) volunteers provide legal and social advocacy to child victims. The Organization’s largest sources of support are grants, fundraising events, and donations from individuals. The Organization was incorporated in 1995.

Basis of Presentation

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Change in Accounting Principles - Leases

Effective July 1, 2022, the Organization adopted FASB ASC 842, Leases. The new standard establishes a right-of-use (ROU) model that requires a lessee to record an ROU asset and a lease liability on the Statement of Financial Position for all leases and requires expanded qualitative and quantitative disclosures. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition on the statement of activities. Leases with a term of less than 12 months will not record a right-of-use asset and lease liability and the payments will be recognized on the Statement of Activities on a straight-line basis over the lease term.

The Organization elected to adopt FASB ASC 842, Leases, using the effective date method that allows the Organization to initially apply the new lease standard at the effective date of July 1, 2022. As a result, the comparative period presented in the financial statements is in accordance with FASB ASC 840.

Net Assets with Donor Restrictions

Net assets subject to donor or certain grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that such assets 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.

CASA of St. Louis
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022
(Continued)

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

Net Assets without Donor Restrictions

Net assets available for use in general operations and not subject to donor or certain grantor restrictions.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

The Organization maintains a significant portion of its cash balances in a certain financial institution. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. In addition, the organization utilizes an insured cash sweep account, which effectively insures the entire balance over the FDIC limit.

During 2023 and 2022, for cash flow reporting purposes, no cash payments relating to interest or income tax were made.

Grants Receivable

Grants receivable are carried net of allowance for doubtful accounts. The allowance for doubtful accounts is increased by provisions charged to expense and reduced by amounts charged off, net of recoveries. The allowance is maintained at a level considered adequate to provide for potential account losses based on management's evaluation of the anticipated impact on the balance of current economic conditions, changes in the character and size of the balance, past and expected future loss experience and other pertinent factors. There was no allowance for doubtful accounts at June 30, 2023 and 2022.

Property and Equipment

Property and equipment is stated at cost less accumulated depreciation. Contributed property and equipment is recorded at fair value at the date of the donation. If the donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as donations without donor restriction.

CASA of St. Louis
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022
(Continued)

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

Property and Equipment (Continued)

Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets which range from three to seven years. Renewals and betterments that extend the life of property are capitalized for expenditures of \$1,000 or more. Maintenance costs and repairs are expensed as incurred.

Leases

The Organization determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities on the Statement of Assets, Liabilities and Net Assets. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term. Variable lease costs are not included in the calculation. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as rent expense on a straight-line basis over the lease term. The Organization does not have any financing leases as of June 30, 2023.

Concentration of Credit Risk

Financial instruments, which potentially subject the Organization to concentration of credit risk, consist principally of cash and investments. The Organization places its cash and investments with high credit quality financial institutions and, by policy, limits the amount of credit exposure to any one financial institution or investment type.

Financial Instruments

The carrying amount of cash and cash equivalents, grants receivable, prepaid expenses and other assets, accounts payable and accrued expenses reported in the Statements of Financial Position approximates fair value due to the short-term maturities of those instruments.

In addition, the Organization believes that the carrying amount of the lease liabilities approximates fair value due to the relative similarity of the effective interest rate as compared to current market rate.

CASA of St. Louis
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022
(Continued)

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

Support and Revenue Recognition

The Organization recognizes contributions when cash, securities, or other assets; an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measureable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

Contributions

Contributions are recognized when a donor makes a promise to give to the Organization that is, in substance, unconditional. Restricted contributions which are received and expended in the same fiscal year are reported as increases in net assets without donor restrictions. Amounts received that are restricted by the donor for use in future periods or for specific purposes are reported as support with donor restrictions that increases net assets with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from restrictions.

Grants

A portion of the Organization's revenue is derived from cost-reimbursable federal, state, and local 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 contacts or grant provisions.

Program Income

Program income is derived from local contracts and is recorded as performance obligations are met. Payments received in advance are deferred until earned.

Special Event Revenue

Special event revenue includes ticket sales, sponsorships, and contributions for events held by the Organization during the year. The ticket sales and sponsorships, included in special event revenue, are partially for an exchange in goods or services and partially a contribution to the Organization. The contribution is recognized in accordance with Accounting Standards Codification ("ASC") 958 while the reciprocal piece is recognized under ASC 606 at the time of the event. The reciprocal piece of these transactions is not material to the financial statements.

Reclassification

Certain balances as of June 30, 2022, have been reclassified to conform to the current year presentation.

CASA of St. Louis
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022
(Continued)

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

Contributions of Nonfinancial Assets

The Organization's programs depend upon the extensive use of volunteer time to deliver direct services to child clients. For the years ended June 30, 2023 and 2022, 235 and 266 CASA volunteers donated 26,879 and 31,920 hours of advocacy services to abused and neglected children in St. Louis foster care, respectively. The value of these contributed services, described above, has not been reflected in the accompanying financial statements.

The Organization believes the value of the hours volunteered in the provision of direct service is important because:

- a) without CASA volunteers providing social advocacy to our children, the Organization would need to outsource this work, and
- b) while CASA volunteers do not have specialized skills, they are required to complete 30+ hours of pre-service training, receive regular supervision by paid professional staff and complete 12 hours of continuing education each year.

See Note K for Contributions of Nonfinancial Assets recorded on the financial statements.

Functional Allocation of Expenses

The costs of providing for various programs and other activities have been summarized on a functional basis in the Statements of Activities and in the Statements of Functional Expenses. Expenses that can be identified with a specific program and support services are allocated directly according to their natural expenditure classification. Other costs have been allocated among the programs and supporting services benefited, based on estimates made by management. Salaries and related expenses, insurance and depreciation expenses are allocated based on estimates of time and effort. Advertising, supplies, travel, other, publication and memberships, postage and shipping and seminars and conferences expenses are allocated directly according to their natural expenditure classifications. Remaining expense categories are allocated based on a combination of estimates of time and effort and direct allocation.

Income Taxes

The Organization qualifies as a nonprofit organization and is exempt from Federal and State income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal or state income taxes is provided for the years ending June 30, 2023 and 2022. The Organization files an informational return, the IRS Form 990. The Organization is unaware of any pending examination.

CASA of St. Louis
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022
(Continued)

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

Subsequent Events

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through November 29, 2023, the date the financial statements were available to be issued.

B. **GRANTS RECEIVABLE**

Grants receivable are stated at the amount management expects to collect from balances outstanding at year end. Grants receivable are recognized as revenue in the period earned, per the grant terms, or when expenses are incurred. Based on management's assessment of the credit history of grantors having outstanding balances and current relationships with them, it has concluded losses on balances outstanding at year end would be immaterial. Grants receivable include the following for the years ended June 30:

	2023	2022
Foundations and individuals	\$246,587	\$151,070
State and local governments	133,215	188,724
United Way of Greater St. Louis	51,096	49,800
Total Grants Receivable	\$430,898	\$389,594

Grants receivable are expected to be realized in the following periods:

	2023	2022
Less than one year	\$330,898	\$339,594
One to three years	100,000	50,000
Total Grants Receivable	\$430,898	\$389,594

C. **CONDITIONAL PROMISE TO GIVE**

A foundation has agreed to match certain contributions on a one-for-one basis up to a total of \$315,500 over the next three years. The Organization will recognize revenue for the matching contributions when the conditions are met.

CASA of St. Louis
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022
(Continued)

D. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30:

	2023	2022
Computer equipment	\$211,924	\$194,617
Furniture and fixtures	13,033	13,033
	224,957	207,650
Less: accumulated depreciation	(192,600)	(177,938)
Property and Equipment, Net	\$ 32,357	\$ 29,712

Depreciation expense was \$14,662 and \$12,793 for the years ended June 30, 2023 and 2022, respectively.

E. OPERATING LEASES

The Organization leases office equipment under operating leases that expire at times through August 2027. The equipment leases require base monthly payments of \$43 and \$453. The operating right-of-use asset and operating lease liability are recorded at the present value of the lease payments.

As of June 30, 2023, The operating lease right-of-use asset and the operating lease liability are \$22,695, which are included on the Statement of Financial Position. For the year ended June 30, 2023, the operating lease cost was \$5,950. The leases were discounted at 3.99%, which is the Organization's estimated incremental borrowing rate in July 2022. The weighted-average remaining lease term on these leases is 4.1 years. The lease costs are included in rent and postage on the statement of functional expenses.

Minimum future lease payments at June 30, 2023 are as follows:

Years Ending <u>June 30,</u>	Amount
2024	\$ 5,950
2025	5,950
2026	5,950
2027	5,905
2028	906
	\$24,661
Less present value discount	(1,966)
Operating lease liability	\$22,695

CASA of St. Louis
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022
(Continued)

F. PAYCHECK PROTECTION PROGRAM GRANT

On December 27, 2020, the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (Economic Aid Act) became law. The Economic Aid Act provides the opportunity to obtain a forgivable “second draw” PPP loan. During the year ended June 30, 2022, the Organization submitted an application for SBA loan funding under the second draw PPP.

The Organization was granted a second draw PPP loan of \$326,045 from Carrollton Bank on February 5, 2021. Under certain circumstances, all or part of the loan may be forgiven. As of June 30, 2021, this loan was recorded as a note payable on the Statement of Financial Position. During the year ending June 30, 2022, the Organization spent the funds on eligible expenses and the loan was forgiven by the SBA on December 15, 2021 and is recorded as a Paycheck Protection Program Grant on the Statement of Activities.

G. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following periods or purposes for the years ended June 30:

	2023	2022
Subject to the passage of time:		
Foundations and individuals	\$205,500	\$116,500
State and local governments	66,818	33,409
United Way of Greater St. Louis	51,096	49,800
	323,414	199,709
Subject to expenditure for specific purpose:		
Development consulting	-	23,791
Performance measurement	-	900
	-	24,691
Total Net Assets with Donor Restrictions	\$323,414	\$224,400

Net assets with donor restrictions are reclassified to net assets without donor restrictions when the time restriction expires or the funds are utilized for the restricted purpose.

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H. NET ASSETS RELEASED FROM DONOR RESTRICTIONS

Net assets were released from donor restrictions by passage of time or by incurring expenses satisfying the restricted purpose as follows for the years ended June 30:

	2023	2022
Time restriction expired:		
Foundations and individuals	\$116,500	\$174,000
State and local government	33,409	33,409
United Way of Greater St. Louis	49,800	48,546
	199,709	255,955
Purpose restriction accomplished:		
Development consulting	23,791	46,195
Performance measurement	7,025	6,900
	30,816	53,095
Total Net Assets Released from Restrictions	\$230,525	\$309,050

I. BOARD DESIGNATED NET ASSETS

The Organization's Board of Directors has designated portions of its net assets to be used only for certain purposes at June 30:

	2023	2022
Operating reserve	\$ 800,000	\$ 800,000
Board designated fund	200,000	200,000
Total designated net assets	\$1,000,000	\$1,000,000

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J. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. The Organization receives revenue from grants and contributions with and without donor restrictions and considers all grants and contributions, which are ongoing, major, and central to its operations to be available to meet cash needs for general expenditures. The Organization maintains financial assets, consisting of cash and investments, on hand to meet its normal operating expenses based on its annual budget. Operating expenses are compared to budgeted expenses on a monthly basis and financial assets on hand are adjusted, as necessary.

The Organization's financial assets available within one year of the Statements of Financial Position date for general expenditures are as follows:

	2023	2022
Cash and cash equivalents	\$2,015,479	\$1,696,621
Grants receivable	430,898	389,594
Investments	3,413	6,944
Total financial assets	2,449,790	2,093,159
Less amounts not available to be used within one year:		
Board designated funds	1,000,000	1,000,000
Donor restricted for time	100,000	50,000
	1,100,000	1,050,000
Financial assets available to meet cash needs for general expenditures within one year	\$1,349,790	\$1,043,159

Although the Organization does not intend to spend from its board designated funds, these funds could be made available if the need arises for cash flow purposes.

K. CONTRIBUTIONS OF NONFINANCIAL ASSETS

Contributions of nonfinancial assets consist of facilities used as office space at the St. Louis County and St. Louis City courthouses, is valued at current rates for similar facilities. Contributed facilities have been valued at \$90,000 for the years ended June 30, 2023 and 2022.

L. RETIREMENT PLAN

The Organization has a SIMPLE IRA retirement plan covering employees who meet the eligibility requirements. The Organization contributes 2% of gross wages to participating employee accounts. Contributions totaled \$24,713 and \$18,300 for the years ended June 30, 2023 and 2022, respectively.