

South Central CASA of Oklahoma, Inc.

Financial Statements

For the Years Ended June 30, 2022 and 2021

With Report of Certified Public Accountants



INDEPENDENT AUDITOR'S REPORT

Board of Directors
South Central CASA of Oklahoma, Inc.

Opinion

We have audited the accompanying financial statements of South Central CASA of Oklahoma, Inc. (an Oklahoma nonprofit corporation), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities and changes in net assets, statements of 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 South Central CASA of Oklahoma, 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. 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 South Central CASA of Oklahoma, 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 South Central CASA of Oklahoma, 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 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 South Central CASA of Oklahoma, 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 South Central CASA of Oklahoma, 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.



CERTIFIED PUBLIC ACCOUNTANTS

Oklahoma City, Oklahoma

January 3, 2023

South Central CASA of Oklahoma, Inc.

**Statements of Financial Position
For the Fiscal Years Ended June 30, 2022 and 2021**

	2022	2021
ASSETS		
Current Assets		
Cash	\$ 20,747	\$ 46,791
Contributions Receivable	94,939	83,098
Prepaid Expenses	3,273	3,880
	118,959	133,769
Total Current Assets	118,959	133,769
Property and Equipment - Net	-	-
Certificates of Deposit	100,207	114,947
Beneficial Interest in Assets Held by Others	9,657	11,349
	\$ 228,823	\$ 260,065
Total Assets	\$ 228,823	\$ 260,065
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	1,833	744
Accrued Payroll Expenses and Liabilities	14,988	22,293
PPP Loan	-	47,622
	16,821	70,659
Total Current Liabilities	16,821	70,659
Net Assets		
Without Donor Restrictions	145,502	119,487
With Donor Restrictions	66,500	69,919
	212,002	189,406
Total Net Assets	\$ 212,002	\$ 189,406
Total Liabilities and Net Assets	\$ 228,823	\$ 260,065

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

South Central CASA of Oklahoma, Inc.

Statement of Activities

For the Fiscal Year Ended June 30, 2022

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
Support and Revenue			
Contributions			
United Way	\$ -	\$ 6,500	6,500
Government	142,419	60,000	202,419
Oklahoma CASA Association	47,708	-	47,708
Individuals	27,054	-	27,054
Organizations/Foundation	20,858	-	20,858
Interest Income	3,260	-	3,260
Change in Value of Beneficial Interest Held by Others	(1,209)	-	(1,209)
Gross Special Event Revenue			
Ticket Sales and Raffle	6,385	-	6,385
In-kind Contributions	4,208	-	4,208
Less: Cost of Direct Benefit to Donors	(4,530)	-	(4,530)
Net Special Event Revenue	6,063	-	6,063
Net Assets Released from Restrictions	69,919	(69,919)	-
Total Support and Revenue	316,072	(3,419)	312,653
Program and Supporting Expenses			
Program	278,433	-	278,433
Supporting	48,628	-	48,628
Fundraising	10,816	-	10,816
Total Program and Supporting Expenses	337,877	-	337,877
Change in Net Assets from Operations	(21,805)	(3,419)	(25,224)
Other Income and Expense			
Miscellaneous Income (Expense)	198	-	198
PPP Loan Forgiveness	47,622	-	47,622
Change in Net Assets	26,015	(3,419)	22,596
Net Assets - Beginning of Year	\$ 119,487	\$ 69,919	\$ 189,406
Net Assets - End of Year	\$ 145,502	\$ 66,500	\$ 212,002

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

South Central CASA of Oklahoma, Inc.

Statement of Activities

For the Fiscal Year Ended June 30, 2021

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
Support and Revenue			
Contributions			
United Way	\$ -	\$ 4,072	4,072
Government	144,970	60,000	204,970
Oklahoma CASA Association	41,991	-	41,991
Individuals	5,640	-	5,640
Organizations/Foundation	19,451	-	19,451
Interest Income	2,909	-	2,909
Change in Value of Beneficial Interest Held by Others	2,482	-	2,482
Gain on Insurance Proceeds	4,579	-	4,579
Net Assets Released from Restrictions	60,000	(60,000)	-
 Total Support and Revenue	 282,022	 4,072	 286,094
 Program and Supporting Expenses			
Program	321,871	-	321,871
Supporting	56,767	-	56,767
Fundraising	12,641	-	12,641
 Total Program and Supporting Expenses	 391,279	 -	 391,279
 Change in Net Assets from Operations	 (109,257)	 4,072	 (105,185)
 Other Income and Expense			
PPP Loan Forgiveness	64,400	-	64,400
 Change in Net Assets	 (44,857)	 4,072	 (40,785)
 Net Assets - Beginning of Year	 \$ 164,344	 \$ 65,847	 \$ 230,191
 Net Assets - End of Year	 \$ 119,487	 \$ 69,919	 \$ 189,406

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

South Central CASA of Oklahoma, Inc.
Statement of Functional Expenses
For the Fiscal Year Ended June 30, 2022

	PROGRAM EXPENSE	SUPPORTING EXPENSE	FUNDRAISING EXPENSE	COST OF DIRECT BENEFIT TO DONORS	TOTAL EXPENSE
Salaries	\$ 176,443	\$ 34,549	\$ 9,067	\$ -	\$ 220,059
Payroll Taxes	14,367	2,813	738	-	17,918
Employee Benefits	2,073	406	106	-	2,585
Total Salaries and Related Expenses	<u>192,883</u>	<u>37,768</u>	<u>9,911</u>	<u>-</u>	<u>240,562</u>
Appreciation & Support	3,463	478	40	-	3,981
Dues & Subscriptions	3,151	435	36	-	3,622
Equipment & Furniture	872	120	10	-	1,002
Insurance	5,707	787	66	-	6,560
Meals & Entertainment	-	-	-	4,530	4,530
Operational Expenses	10,748	1,483	123	-	12,354
Printing	315	44	3	-	362
Miscellaneous Expense	150	20	2	-	172
Professional Services	28,574	3,941	329	-	32,844
Payroll Fees	3,262	450	37	-	3,749
Public Relations: Advertisement	1,025	141	12	-	1,178
Rent	16,417	2,264	189	-	18,870
Training & Travel	5,050	697	58	-	5,805
Volunteer Training	6,816	-	-	-	6,816
Total Expenses by Function	<u>85,550</u>	<u>10,860</u>	<u>905</u>	<u>4,530</u>	<u>101,845</u>
Less: Expenses Included with Revenues on the Statement of Activities					
Cost of Direct Benefit to Donors	-	-	-	(4,530)	(4,530)
Total Expenses Included in the Expense Section on the Statement of Activities	<u>\$ 278,433</u>	<u>\$ 48,628</u>	<u>\$ 10,816</u>	<u>\$ -</u>	<u>\$ 337,877</u>

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

South Central CASA of Oklahoma, Inc.
Statement of Functional Expenses
For the Fiscal Year Ended June 30, 2021

	PROGRAM EXPENSE	SUPPORTING EXPENSE	FUNDRAISING EXPENSE	TOTAL EXPENSE
Salaries	\$ 209,251	\$ 40,973	\$ 10,752	\$ 260,976
Payroll Taxes	15,168	2,970	779	18,917
Employee Benefits	1,171	230	60	1,461
Total Salaries and Related Expenses	225,590	44,173	11,591	281,354
Appreciation & Support	184	26	2	212
Depreciation	1,244	172	14	1,430
Dues & Subscriptions	6,140	847	70	7,057
Equipment & Furniture	12,879	1,776	148	14,803
Insurance	6,503	897	75	7,475
Operational Expenses	11,342	1,564	131	13,037
Printing	65	9	1	75
Miscellaneous Expense	4,844	668	56	5,568
Professional Services	26,193	3,613	301	30,107
Payroll Fees	3,601	497	41	4,139
Public Relations: Advertisement	1,545	213	18	1,776
Rent	14,169	1,954	163	16,286
Training & Travel	836	115	10	961
Volunteer Training	4,974	-	-	4,974
Website	1,762	243	20	2,025
	96,281	12,594	1,050	109,925
Total Expenses Included in the Expense Section on the Statement of Activities	\$ 321,871	\$ 56,767	\$ 12,641	\$ 391,279

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

South Central CASA of Oklahoma, Inc.

Statements of Cash Flows

For Fiscal Years Ended June 30, 2022 and 2021

	2022	2021
Cash Flows From Operating Activities:		
Change in Net Assets	\$ 22,596	\$ (40,785)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used for) Operating Activities:		
Depreciation Expense	- 1,430	
Change in Beneficial Interest in Assets Held by Others	1,692 (2,020)	
Gain on Insurance Proceeds	- (4,579)	
PPP Loan Forgiveness	(47,622) (64,400)	
Changes in Operating Assets and Liabilities:		
Contributions and Grants Receivable	(11,841) (8,855)	
Prepaid Expenses and Other Assets	607 (695)	
Accounts Payable	1,089 372	
Accrued Payroll	<u>(7,305)</u>	<u>(6,302)</u>
Net Cash Provided by (Used in) Operating Activities	(63,380)	(85,049)
Cash Flows From Investing Activities:		
Change in Value of CD	14,740 (2,908)	
Proceeds from Disposal of Property and Equipment	<u>-</u>	<u>15,623</u>
Net Cash Provided by (Used in) Investing Activities	14,740	12,715
Cash Flows from Financing Activities		
Proceeds from PPP Loan	<u>-</u>	<u>47,622</u>
Net Cash Provided by Financing Activities	<u>-</u>	<u>47,622</u>
Net Change in Cash and Cash Equivalents	(26,044)	(65,497)
Cash and Cash Equivalents, Beginning of Year	<u>46,791</u>	<u>112,288</u>
Cash and Cash Equivalents, End of Year	<u>\$ 20,747</u>	<u>\$ 46,791</u>
Supplemental Data:		
Noncash Investing and Financing Activity		
Forgiveness of PPP Loan	<u>\$ 47,622</u>	<u>\$ 64,400</u>

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

South Central CASA of Oklahoma, Inc.

Notes to Financial Statements

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

Cleveland County CASA, Inc. was incorporated on October 31, 1984 as a nonprofit service organization. In December 2017, Cleveland County CASA, Inc. amended their certificate of incorporation changing their name to South Central CASA of Oklahoma, Inc. (the Organization). The Organization was formed to recruit, screen and train members of the local community to serve as court-appointed special advocates for victims of child abuse and neglect in Cleveland, McClain, and Garvin Counties. The children served are wards of the District Court and are placed in the custody of the Oklahoma Department of Human Services for placement and treatment services. The organization receives revenue and support from federal, State of Oklahoma and local government funding sources, United Way funding and miscellaneous other contributions.

CASH AND CASH EQUIVALENTS

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

CONTRIBUTIONS RECEIVABLE

Contributions and grants receivable, including unconditional promises to give, are recognized as revenues in the period received by the Organization. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. The allowance for uncollectable contributions receivable is based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Contributions receivable are written off when deemed uncollectible.

PROPERTY AND EQUIPMENT

Property and equipment additions with a useful life of one year or greater with a cost of \$5,000 or greater are recorded at cost, or if donated, at fair value on the date of donation. Depreciation is computed using the straight-line method over estimated useful lives of the assets ranging from three to ten years. When assets are sold or otherwise disposed of, the cost and related depreciation are removed from the accounts, and any resulting gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed.

The Organization reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended June 30, 2022 or 2021.

CERTIFICATES OF DEPOSIT

Certificates of deposit are recorded at cost plus interest earned. The Organization has a certificate of deposit that matures on July 1, 2026 and earns an interest rate of 2.8%. The Organization evaluates interest rates as well as financial stability in determining the most appropriate financial institutions in which to purchase certificates of deposit.

South Central CASA of Oklahoma, Inc.

Notes to Financial Statements

BENEFICIAL INTEREST IN ASSETS HELD BY COMMUNITY FOUNDATION

During 2006, the Organization established an endowment fund that is perpetual in nature (the fund) under Communities Foundation of Oklahoma (CFO) and named South Central CASA of Oklahoma, Inc. as beneficiary. The Organization granted variance power to the CFO, which allows the CFO to modify any condition or restriction on its distributions for any specified charitable purpose or to any specified organization if, in the sole judgment of the CFO's Board of Directors, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community. The fund is held and invested by the CFO for the benefit of the Organization and is reported at fair value in the statement of financial position, with changes in fair value and management fees recognized in the statement of activities. Distributions received are reflected as reductions to the beneficial interest in assets held. For the years ended June 30, 2022 and 2021, the Organization received \$482 and \$462, respectively, as a distribution from the Organization's funds held at CFO.

In addition to the funds discussed above, the CFO maintains other assets that have been contributed by various donors to the CFO for the benefit of the Organization. Annually, distributions from these funds are paid to the Organization according to CFO's spending policies. For the years ended June 30, 2022 and 2021, the Organization received \$245 and \$234, respectively, which is included in contribution revenue in the statement of activities.

NET ASSETS

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions

Net assets that are available for use in general operations and not subject to donor-imposed restrictions.

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 resources be maintained in perpetuity.

The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, 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.

REVENUE RECOGNITION

Contributions and Grants

Unconditional promises to give are recognized as revenue in the period received and as assets, decreases of liabilities, or expenses, depending on the form of the benefits received. Promises to give are recorded at

South Central CASA of Oklahoma, Inc.

Notes to Financial Statements

net realizable value if expected to be collected in one year and at fair value if expected to be collected in more than one year. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Contributions are recognized when cash, securities, or other assets, an unconditional promise to give, or notification of a beneficial interest is received. All contributions are available for use without donor restriction unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as an increase in net assets with donor restriction by the nature of the restriction.

Revenue earned but not yet collected is recorded as a receivable in the statements of financial position.

Contracts with Government Agencies

The Organization recognizes contract revenue in the period in which it is earned. Revenue earned but not yet collected is recorded as a receivable in the statements of financial position.

Sponsorship and Special Events Revenue

Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. The Organization recognizes special events revenue equal to the fair value of direct benefits to donors when the special event takes place. Sponsorships and the contribution element of special events revenue is recognized immediately, unless there is a right of return if the special event does not take place. For the year ended June 30, 2021, no special events occurred that had an exchange element of revenue.

IN-KIND CONTRIBUTIONS

Contributed nonfinancial assets include donated artwork, event supplies, and other in-kind contributions which are recorded at the respective fair values of the goods or services received. In addition to contributed nonfinancial assets, volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles.

ADVERTISING EXPENSE

Advertising costs are expensed as incurred.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Expenses directly attributable to a specific functional area are reported as expenses of those functional areas. Certain categories of expenses 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 Appreciation & Support, Depreciation, Dues & Subscriptions, Equipment & Furniture, Insurance, Operational Expense, Professional Services, Payroll

South Central CASA of Oklahoma, Inc.

Notes to Financial Statements

Fees, Public Relations, Rent, Training & Travel, and Website which are allocated on a square footage basis, as well as Salaries and Related Payroll Expenses which are allocated on the basis of estimated payroll hours.

INCOME TAXES

The Organization is organized as an Oklahoma nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under the Internal Revenue Code Section 501(c)(3). The Organization is required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS annually. In addition, the Organization is subject to income tax on net income that is derived from business activities that is unrelated to its exempt purpose. The Organization has determined that it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS. The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

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 and disclosures. Accordingly, actual results could differ from those estimates.

FINANCIAL INSTRUMENTS, CREDIT RISK, AND CONCENTRATIONS

The Organization manages deposit concentration risk by placing cash and certificates of deposit with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits. To date, the Organization has not experienced losses in any of these accounts. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from Board members, governmental agencies, and foundations supportive of the Organization's mission.

The Organization receives a substantial portion of its revenue from contracts with the State of Oklahoma, county agencies, and support from the United Way. During the fiscal year ended June 30, 2022 approximately 67% of revenues and 100% of receivables were due from these sources. During the fiscal year ended June 30, 2021, approximately 73% of revenues and 100% of receivables were due from these sources. These contracts/agencies could be subject to future reductions in State and/or Federal appropriations and, as such, cannot guarantee continued availability of funding.

RECENT ACCOUNTING PRONOUNCEMENTS

Adopted

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The update increases the transparency of contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure regarding the measurement of contributed nonfinancial assets, as well as the amount of those contributions used in the entity's programs and other activities. The Organization adopted this accounting standard update on June 30, 2022 retrospectively. The adoption of this standard did not have a material impact on the financial statements, with the exception of increased disclosure.

South Central CASA of Oklahoma, Inc.

Notes to Financial Statements

Not Yet Adopted

In February 2016, the FASB issued amended guidance for the treatment of leases. The guidance requires lessees to recognize a right-of-use asset and a corresponding lease liability for all operating and finance leases with lease terms greater than one year. The guidance also requires both qualitative and quantitative disclosures regarding the nature of the Organization's leasing activities. The guidance will initially be applied using a modified retrospective approach. The amendments in the guidance will be effective for the year ending June 30, 2023. Early adoption is permitted. Management is evaluating the impact of the amended lease guidance on the Organization's financial statements.

SUBSEQUENT EVENTS

The Organization has evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through January 3, 2023, the date the financial statements were available to be issued.

NOTE 2 – LIQUIDITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position, comprise the following, as of June 30:

	2022	2021
Cash	\$ 20,747	\$ 46,791
Contributions receivable without donor restriction	28,439	19,026
Distributions from beneficial interests in assets held by others	482	462
	<hr/> <u>\$ 49,668</u>	<hr/> <u>\$ 66,279</u>

The organization also has a Certificate of Deposit classified as a long-term asset. These funds are not donor restricted but are set aside by the Board as a reserve to cover expenses in the event the organization experiences a short-term decrease in contributions.

NOTE 3 – FAIR VALUE MEASUREMENTS

The Organization reports certain assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that we can access at the measurement date.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active

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markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, we develop inputs using the best information available in the circumstances.

There were no transfers into or out of Level 3 for the years ended June 30, 2022 or 2021, nor were there any purchases or sales of Level 3 investments for the years ended June 30, 2022 or 2021.

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the assessment of the quality, risk or liquidity profile of the asset.

The fair values of beneficial interests in charitable and perpetual trusts are determined by us using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the underlying assets and are based on the fair values of trust investments as reported by the trustees. The fair value of beneficial interest in assets held by the community foundation is based on the fair value of fund investments as reported by the community foundation. These are considered to be Level 3 measurements.

The following tables present assets measured at fair value on a recurring basis at June 30:

2022			
LEVEL 1 INPUTS	LEVEL 2 INPUTS	LEVEL 3 INPUTS	
\$ -	\$ -	\$ 9,657	
\$ -	\$ -	\$ 9,657	

2021			
LEVEL 1 INPUTS	LEVEL 2 INPUTS	LEVEL 3 INPUTS	
\$ -	\$ -	\$ 11,349	
\$ -	\$ -	\$ 11,349	

South Central CASA of Oklahoma, Inc.

Notes to Financial Statements

NOTE 4 – CONTRIBUTIONS RECEIVABLE

Contributions receivable are summarized as follows at June 30:

	2022	2021
Less Than One Year	\$ 94,939	\$ 83,098
One Year to Five Years	-	-
	<u>\$ 94,939</u>	<u>\$ 83,098</u>

For the year ended June 30, 2022, \$66,500 of total contributions receivable are comprised of donor restricted funds; \$60,000 is restricted for the use of salaries and \$6,500 is time restricted for the 2023 fiscal year program.

For the year ended June 30, 2021, \$64,072 of total contributions receivable were comprised of donor restricted funds; \$60,000 was restricted for the use of salaries and \$4,072 was time restricted for the 2022 fiscal year.

NOTE 5 – PROPERTY AND EQUIPMENT – NET

Property and equipment consist of the following at June 30:

	2022	2021
Office Furniture and Equipment	\$ 6,186	\$ 6,186
Less: Accumulated Depreciation	(6,186)	(6,186)
Property and Equipment – Net	<u>\$ -</u>	<u>\$ -</u>

In February 2021, certain assets with remaining net book value were destroyed in a flood. These assets and associated accumulated depreciation were written off, leaving the Organization with only fully depreciated assets. As such, the Property and Equipment line item on the Statements of Financial Position for the years ended June 30, 2022 and 2021 shows a \$0 balance in Property and Equipment – Net. The Organization recognized a \$4,579 gain on the disposal from associated insurance proceeds in the year ended June 30, 2021.

NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following as of June 30:

	2022	2021
Salary Expense	\$ 60,000	\$ 60,000
Conferences	-	5,847
Promise to give, CASP FY 2022	-	4,072
Promise to give, FY 2023 Program	6,500	-
	<u>\$ 66,500</u>	<u>\$ 69,919</u>

South Central CASA of Oklahoma, Inc.

Notes to Financial Statements

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by donors as follows for the year ended June 30:

	2022	2021
Expiration of time restrictions	\$ 4,072	\$ -
Satisfaction of purpose restrictions		
Salary Expense	60,000	60,000
Conferences	5,847	-
	<hr/>	<hr/>
	\$ 69,919	\$ 60,000

NOTE 7 – EMPLOYEE RETIREMENT BENEFIT PLAN

The Organization sponsors a modified SIMPLE IRA Plan (the Plan) qualified under IRC 403(b) covering substantially all full-time employees. The Plan provides that all employees are eligible to participate in the Plan upon the later of the Plan's effective date or the employee's date of hire and may voluntarily make salary reduction contributions to the Plan up to the maximum contribution allowed by the IRS. For each calendar year, the employer will contribute a matching contribution, as defined by the Plan, to each eligible employee's SIMPLE IRA. During the years ended June 30, 2022 and 2021 the Organization matched employee voluntary contributions up to 3%, resulting in employer matching contributions to the plan of \$3,871 and \$6,665, respectively.

NOTE 8 – PPP LOAN

On April 20, 2020, the Organization obtained a loan pursuant to the Paycheck Protection Program under the CARES Act in an aggregate principal amount of \$64,400 (the “PPP Loan”). This PPP Loan was forgiven on December 1, 2020.

On January 26, 2021, the Organization obtained a second loan pursuant to the Paycheck Protection Program under the CARES Act in an aggregate principal amount of \$47,622 (the “Second PPP Loan”). The Second PPP Loan was forgiven on August 12, 2021.

NOTE 9 – IN-KIND CONTRIBUTIONS

Contributions of donated noncash assets and services are recorded at their fair market values at the time of donation. The Organization received the following noncash donations during the years ended December 31:

	2022	2021
Artwork for Raffle	\$ 2,500	\$ -
Event Supplies	1,508	-
Hall Rental	200	-
	<hr/>	<hr/>
	\$ 4,208	\$ -

NOTE 10 – RELATED PARTIES

Substantially all cash is held at a local bank. An officer of the financial institution is also a member of the Organization's Board of Directors. The banking relationship predated the officer's membership on the board.

South Central CASA of Oklahoma, Inc.
Notes to Financial Statements

NOTE 11 – RISKS AND UNCERTAINTIES

From time to time, the Organization may be involved in various legal matters arising in the normal course of business.

In early 2020, the World Health Organization (WHO) recognized COVID-19 as a global pandemic, prompting many national, regional, and local governments to implement preventative or protective measures, such as travel and business restrictions, temporary store closures, and wide-sweeping quarantines and stay at home orders. This pandemic has caused economic downturn on a global scale, and created significant uncertainty, volatility, and disruption across economies and financial markets. The pandemic has continued throughout 2022 and as such, the impact to the Organization's operations and future financial statements is not yet determinable.