



FINANCIAL STATEMENTS

**FOR THE YEARS ENDED
JUNE 30, 2022 AND 2021**

ANNE ARUNDEL COUNTY CASA, INC.
FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

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Independent Auditor's Report

To the Board of Directors of
Anne Arundel County CASA, Inc.

Opinion

We have audited the accompanying financial statements of the Anne Arundel County CASA, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, the related statements of activities and changes in net assets, 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 the Anne Arundel County CASA, 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 Anne Arundel County CASA, 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 Anne Arundel County CASA, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Anne Arundel County CASA, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Anne Arundel County CASA, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Alta CPA Group, LLC

October 6, 2022

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

	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 782,016	\$ 623,046
Grants and Contributions Receivable	70,443	41,355
Inventory	-	559
Prepaid Expenses	<u>9,074</u>	<u>22,435</u>
Total Current Assets	861,533	687,395
Fixed Assets:		
Property and Equipment, Net of Accumulated Depreciation of \$67,546 and \$66,906 in 2022 and 2021, Respectively	<u>2,554</u>	<u>-</u>
Total Assets	<u>\$ 864,087</u>	<u>\$ 687,395</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 10,045	\$ 9,140
Unapplied Grant Funds	-	27,390
Deferred Revenue	2,560	34,095
Note Payable, Current Portion	<u>1,134</u>	<u>2,346</u>
Total Current Liabilities	13,739	72,971
Note Payable, Net of Current Portion	<u>98,766</u>	<u>97,554</u>
Total Liabilities	112,505	170,525
Net Assets:		
Without Donor Restrictions	731,485	488,821
With Donor Restrictions	<u>20,097</u>	<u>28,049</u>
Total Net Assets	<u>751,582</u>	<u>516,870</u>
Total Liabilities and Net Assets	<u>\$ 864,087</u>	<u>\$ 687,395</u>

See independent auditor's report and accompanying notes to financial statements.

ANNE ARUNDEL COUNTY CASA, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT						
Contributions	\$ 84,308	\$ -	\$ 84,308	\$ 77,987	\$ 3,257	\$ 81,244
Grants	341,646	15,500	357,146	434,274	23,000	457,274
Inkind Donations	365,283	-	365,283	337,471	-	337,471
Investment Income	11	-	11	501	-	501
Special Events, Net of Direct Donor Benefits of \$128,936 and \$21,723 in 2022 and 2021, Respectively	252,203	-	252,203	85,082	-	85,082
Net Assets Released from Restrictions	<u>23,452</u>	<u>(23,452)</u>	<u>-</u>	<u>56,229</u>	<u>(56,229)</u>	<u>-</u>
Total Revenue and Support	1,066,903	(7,952)	1,058,951	991,544	(29,972)	961,572
EXPENSES						
Program Services	780,851	-	780,851	713,027	-	713,027
Management and General	20,409	-	20,409	17,345	-	17,345
Fundraising	<u>22,979</u>	<u>-</u>	<u>22,979</u>	<u>21,453</u>	<u>-</u>	<u>21,453</u>
Total Expenses	<u>824,239</u>	<u>-</u>	<u>824,239</u>	<u>751,825</u>	<u>-</u>	<u>751,825</u>
Change in Net Assets	242,664	(7,952)	234,712	239,719	(29,972)	209,747
Net Assets at Beginning of Year	<u>488,821</u>	<u>28,049</u>	<u>516,870</u>	<u>249,102</u>	<u>58,021</u>	<u>307,123</u>
Net Assets at End of Year	<u>\$ 731,485</u>	<u>\$ 20,097</u>	<u>\$ 751,582</u>	<u>\$ 488,821</u>	<u>\$ 28,049</u>	<u>\$ 516,870</u>

See independent auditor's report and accompanying notes to financial statements.

ANNE ARUNDEL COUNTY CASA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

	Program Services	Management and General	Fundraising	Total Expenses
Compensation and Related Expenses:				
Salaries	\$ 295,990	\$ 10,366	\$ 12,837	\$ 319,193
Employee Benefits	21,422	750	929	23,101
Payroll Taxes	23,418	820	1,016	25,254
Total Compensation and Related Expenses	340,830	11,936	14,782	367,548
Advertising	1,626	57	71	1,754
Bank Charges	-	3,092	-	3,092
Depreciation	-	640	-	640
Equipment Expense	4,297	150	186	4,633
Inkind Rent and Parking	61,492	2,153	2,667	66,312
Inkind Volunteer Services	298,971	-	-	298,971
Insurance	5,402	189	234	5,825
Memberships	2,017	71	87	2,175
Office Supplies and Expenses	14,447	504	3,031	17,982
Postage and Delivery	2,301	81	100	2,482
Professional Services	19,977	765	866	21,608
Public Relations	17,534	614	760	18,908
Staff Development	1,162	-	-	1,162
Telephone	4,496	157	195	4,848
Travel	885	-	-	885
Volunteer Recognition	3,719	-	-	3,719
Volunteer Training Expense	1,695	-	-	1,695
Total Expenses	\$ <u>780,851</u>	\$ <u>20,409</u>	\$ <u>22,979</u>	\$ <u>824,239</u>

See independent auditor's report and accompanying notes to financial statements.

ANNE ARUNDEL COUNTY CASA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	Program Services	Management and General	Fundraising	Total Expenses
Compensation and Related Expenses:				
Salaries	\$ 276,780	\$ 9,859	\$ 12,286	\$ 298,925
Employee Benefits	21,273	758	944	22,975
Payroll Taxes	22,063	786	979	23,828
Total Compensation and Related Expenses	320,116	11,403	14,209	345,728
Bank Charges	-	1,194	-	1,194
Equipment Expense	2,962	106	131	3,199
Inkind Rent and Parking	61,400	2,187	2,725	66,312
Inkind Volunteer Services	271,159	-	-	271,159
Insurance	5,540	197	246	5,983
Memberships	1,583	56	70	1,709
Office Supplies and Expenses	12,104	433	2,526	15,063
Postage and Delivery	2,300	82	102	2,484
Professional Services	14,007	1,027	622	15,656
Public Relations	14,292	509	634	15,435
Staff Development	1,073	-	-	1,073
Telephone	4,237	151	188	4,576
Travel	83	-	-	83
Volunteer Recognition	480	-	-	480
Volunteer Training Expense	1,691	-	-	1,691
Total Expenses	\$ 713,027	\$ 17,345	\$ 21,453	\$ 751,825

See independent auditor's report and accompanying notes to financial statements.

ANNE ARUNDEL COUNTY CASA, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 234,712	\$ 209,747
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	640	-
Increase in Grants and Contributions Receivable	(29,088)	(7,602)
Decrease in Inventory	559	-
(Increase) Decrease in Prepaid Expenses	13,361	(6,831)
Increase in Accounts Payable and Accrued Liabilities	905	804
Decrease in Unapplied Grant Funds	(27,390)	(32,710)
Increase (Decrease) in Deferred Revenue	<u>(31,535)</u>	<u>33,095</u>
Net Cash Provided by Operating Activities	162,164	196,503
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(3,194)	-
Redemption of Certificates of Deposits	<u>-</u>	<u>80,863</u>
Net Cash Provided (Used) by Investing Activities	(3,194)	80,863
CASH FLOWS FROM FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
Net Increase in Cash and Cash Equivalents	158,970	277,366
Cash and Cash Equivalents Balance, Beginning of Year	<u>623,046</u>	<u>345,680</u>
Cash and Cash Equivalents Balance, End of Year	<u><u>\$ 782,016</u></u>	<u><u>\$ 623,046</u></u>
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest Paid	\$ <u>-</u>	\$ <u>-</u>
Income Taxes Paid	\$ <u>-</u>	\$ <u>-</u>

See independent auditor's report and accompanying notes to financial statements.

ANNE ARUNDEL COUNTY CASA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Anne Arundel County CASA, Inc. (the Organization), in response to court orders, recruits, screens, trains, and supervises community volunteers to be advocates for abused and neglected children. In addition, the Organization keeps the community informed about child welfare advocacy issues. The Organization was formed in 1994, pursuant to the laws of the State of Maryland. It is supported primarily by grants, contributions, and special events.

Basis of Accounting

The financial statements of Anne Arundel County CASA, Inc. have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Uses of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash, Cash Equivalents, and Certificates of Deposit

For purposes of the statements of cash flows, the Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Investments

The Organization has adopted FASB ASC 320 "Investments in Debt and Equity Securities." In accordance with the standard, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Unrealized gains and losses are included in the changes in net assets. Investment income is reported as increases in net assets without donor restrictions.

ANNE ARUNDEL COUNTY CASA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements

Financial assets and liabilities valued using level 1 inputs are based on unadjusted quoted market prices within active markets. Financial assets and liabilities valued using level 2 inputs are based primarily on quoted prices for similar assets or liabilities in active or inactive markets. For certain long term debt, the fair value was based on present value techniques using inputs derived principally or corroborated from market data. Financial assets and liabilities using level 3 inputs were primarily valued using management's assumptions about the assumptions market participants would utilize in pricing their asset or liability. Valuation techniques utilized to determine fair value are consistently applied.

Accounts Receivable and Promises to Give

The Organization uses the allowance method of accounting for bad debts. The allowance for uncollectible promises to give is established based upon management's estimate of collectibility taking into consideration historical collection experience. Accounts are written off as management deems them uncollectible. There was no allowance for uncollectible promises at June 30, 2022 and 2021. All receivables are considered collectible within one year.

Inventory

Inventory is stated at the lower of cost or market value using the first in, first out (FIFO) method.

Property and Equipment

Property and equipment additions are capitalized at \$1,000 and higher, and are recorded at cost if purchased, or fair market value at the date of acquisition for donations. Minor additions and renewals are expensed in the year incurred. Major additions and renewals are capitalized and depreciated using accelerated depreciation methods over their estimated useful lives, generally 5-7 years. When assets are sold or otherwise disposed of, the asset and related accumulated depreciation and amortization are removed from the accounts, and any remaining gain or loss is included in the statements of activities and changes in net assets.

ANNE ARUNDEL COUNTY CASA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board may designate a portion of these net assets for specific purposes.

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. 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.

When contributions are received and the restrictions met within the same fiscal year, the amounts are reported as contributions without donor restrictions.

Revenue Recognition

Revenue from contracts with customers primarily consists special event fees. Revenues are recognized when control of the promised services is transferred to customers, in an amount that reflects the consideration the Organization expects to be entitled to in exchange for those services. These revenues are recognized net of discounts, waivers, and refunds.

The Organization determines revenue recognition through the five-step model prescribed by Topic 606 as follows:

- Identification of the contract, or contracts, with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract;
- Recognition of revenue when, or as, performance obligations are satisfied.

ANNE ARUNDEL COUNTY CASA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Performance Obligations

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer. A contract's transaction price is allocated to each performance obligation identified in the arrangement based on the relative standalone selling price of each distinct good or service in the contract and recognized as revenue when, or as, the performance obligation is satisfied. The primary method used to estimate the standalone selling price is the adjusted market assessment approach, under which the Organization evaluates the market and estimates a price that a customer would be willing to pay for the goods and services the Organization provides.

The Organization's performance obligations are primarily satisfied at the point in time of events. The transaction price is determined based on gross price, net of discounts or refunds. The Organization has elected the optional exemption to not disclose amounts where the performance obligation is part of a contract which has an original expected duration of one year or less. The Organization expects to recognize substantially all revenue on these remaining performance obligations over the next twelve months.

Contract Balances

The timing of billings, cash collections, and revenue recognition results in accounts receivable (contract assets) and program deposits on the statements of financial position. Receivables are only recognized to the extent that it is probable that the Organization will collect substantially all of the consideration to which it is entitled in exchange for the goods and services that will be transferred. The Organization receives advance payments of deposits from customers before revenue is recognized, which are recorded as contract liabilities in program deposits.

Costs to Obtain a Contract

The Organization has elected the practical expedient available in ASC 340-40, in which any incremental costs of obtaining a contract are recognized as an expense when incurred if the amortization period of the asset that would have been recognized is one year or less.

Grants and Contributions

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 promise 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 substantially met.

ANNE ARUNDEL COUNTY CASA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grants and Contributions (Continued)

A portion of the Organization's revenue is derived from cost-reimbursable government contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized when the Organization has incurred expenditures in compliance with specific contract or grant provisions. No amounts have been received in advance under the Organization's government contracts and grants.

Donated Services and Materials

Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair market value when received. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses or additions to property and equipment.

Donations of materials are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless a donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Functional Allocation of Expenses

The costs of providing the various programs, fundraising, and other activities have been summarized on a functional basis in the statements of activities and changes in net assets and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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 salaries, payroll taxes, employee benefits, and professional services, which are allocated on the basis of estimates of time and effort. Contributed facilities, office supplies, postage and delivery, printing and reproduction, and telephone are allocated based on an estimate of usage by functional area.

ANNE ARUNDEL COUNTY CASA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Tax Status

Anne Arundel County CASA, Inc. is exempt from income taxes under Internal Revenue Code 501(c)(3). In addition, the Organization qualified for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(1). The Organization's informational return filings are subject to audit by the Internal Revenue Service, generally for three years after filing.

Subsequent Events

The Organization evaluated subsequent events through the date that the financial statements were available to be issued. The Organization is not aware of any significant events that occurred subsequent to the statement of financial position date but prior to October 6, 2022 that would have a material impact on the financial statements.

NOTE 2 - LIQUIDITY AND AVAILABILITY

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations become due. The Organization will use debt when necessary to support cash flow needs.

The following represents the Organization's financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30:

	<u>2022</u>	<u>2021</u>
Financial Assets at Year End:		
Cash and Cash Equivalents	\$ 782,016	\$ 623,046
Grants and Contributions Receivable	<u>70,443</u>	<u>41,335</u>
Total Financial Assets Available Within One Year	852,459	664,401
Less Amounts Not Available to be Used Within One Year, Due to:		
Restricted by Donors with Purpose Restrictions	<u>(4,597)</u>	<u>(5,049)</u>
Total Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	\$ <u>847,862</u>	\$ <u>659,352</u>

ANNE ARUNDEL COUNTY CASA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2022 and 2021 consisted of the following:

	<u>2022</u>	<u>2021</u>
Computer Equipment and Software	\$ 14,498	\$ 11,304
Equipment	23,812	23,812
Furniture and Fixtures	<u>31,790</u>	<u>31,790</u>
Total	70,100	66,906
Less: Accumulated Depreciation	<u>(67,546)</u>	<u>(66,906)</u>
Property and Equipment, Net	\$ <u>2,554</u>	\$ <u>---</u>

NOTE 4 - CONCENTRATION OF CREDIT RISK

The Organization maintains its cash and certificates of deposit in high credit quality financial institutions. At times, the balances may exceed the federally insured limits of \$250,000. At June 30, 2022, the Organization had approximately \$219,000 in excess of insured FDIC limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant financial risk on cash.

NOTE 5 - PAYCHECK PROTECTION PROGRAM LOANS

In April 2020, the Organization applied and was approved for a loan in the amount of \$60,100 under the Paycheck Protection Program created as part of the relief efforts related to COVID-19 and administered by the U.S. Small Business Administration. The loan accrued interest at 1%, but payments were not required to begin for 24 weeks after funding of the loan. The Organization was eligible for loan forgiveness of up to 100% of the principal upon meeting certain requirements. The loan was uncollateralized and was fully guaranteed by the Federal government. The Organization incurred eligible expenses and met criteria required for forgiveness of the total amount of \$60,100 during the year ended June 30, 2021. The Organization recognized the revenue as a government grant during the year ended June 30, 2021. In March 2021, the Organization received notice that the entire loan amount was forgiven upon execution and approved of the application.

In February 2021, the Organization applied and was approved for a second loan through the second round of the Paycheck Protection Program. The total amount received through the second loan was \$63,430. The loan accrues interest at 1%, but payments are not required to begin for 24 weeks after funding of the loan. The Organization is eligible for loan forgiveness of up to 100% of the principal upon meeting certain requirements. The loan is uncollateralized and is fully guaranteed by the Federal government. The Organization incurred eligible expenses and met criteria required for forgiveness of this loan in the amount of \$40,740 during the year ended June 30, 2021. The remaining amount of \$22,690 was included in unapplied grant funds

ANNE ARUNDEL COUNTY CASA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

NOTE 5 - PAYCHECK PROTECTION PROGRAM LOANS (CONTINUED)

at June 30, 2021. The Organization incurred eligible expenses for forgiveness of the remaining loan amount during the year ending June 30, 2022 and received notice in September 2021 that the entire loan was forgiven upon execution and approval of the application. The \$22,690 is included in grants income for the year ending June 30, 2022.

NOTE 6 - REVENUE FROM CONTRACTS WITH CUSTOMERS

The following table provides information about significant changes in the contract liabilities for the year ended June 30:

	<u>2022</u>	<u>2021</u>
Deferred Special Event Fees, Beginning of Year	\$ 34,095	\$ 1,000
Revenue Recognized of Special Event Fees	(381,139)	(106,805)
Cash Received for Special Event Fees During the Period	<u>349,604</u>	<u>139,900</u>
Deferred Special Event Fees, End of Year	\$ <u>2,560</u>	\$ <u>34,095</u>

NOTE 7 - LONG TERM DEBT

In June 2020, the Organization obtained a disaster loan from the U.S. Small Business Administration bearing interest at 2.75% per annum with monthly principal and interest payments of \$428 beginning twelve months from the date of the loan issuance. Payments made will be applied first to pay accrued interest and then will be applied to any remaining balance to reduce principal. All remaining principal and accrued interest is due and payable thirty years from the date of the loan issuance. The Organization may prepay the loan in part or in full at any time without notice or penalty. The loan is secured by all tangible and intangible personal property of the Organization. The U.S. Small Business Administration has extended the deferments of payments 30 months from the date of the note.

Expected future maturities of long term debt are as follows:

2023	\$ 1,134
2024	2,316
2025	2,380
2026	2,447
2027	2,515
Thereafter	<u>89,108</u>
Total	\$ <u>99,900</u>

ANNE ARUNDEL COUNTY CASA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following at June 30:

	<u>2022</u>	<u>2021</u>
Subject to Expenditure for Specific Purpose:		
Rex's Support Squad	\$ 3,841	\$ 4,293
Brandy's Fund	<u>756</u>	<u>756</u>
Total Purpose Restricted Net Assets	4,597	5,049
Subject to Passage of Time	<u>15,500</u>	<u>23,000</u>
 Total Net Assets with Donor Restrictions	 \$ <u>20,097</u>	 \$ <u>28,049</u>

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 the donors as follows for the years ended June 30:

	<u>2022</u>	<u>2021</u>
Satisfaction of Purpose Restrictions:		
Gala Sponsorship	\$ ---	\$ 5,000
Rex's Support Squad	452	229
Expiration of Time Restrictions	<u>23,000</u>	<u>51,000</u>
 Total	 \$ <u>23,452</u>	 \$ <u>56,229</u>

NOTE 9 - DONATED SERVICES

During the years ended June 30, 2022 and 2021, trained CASA volunteers contributed 9,105 and 8,666 hours, respectively, of service to the Organization. Management has estimated the value of those services to be \$32.82 and \$31.29 per hour for the years ended June 30, 2022 and 2021, respectively. The value of donated services and facilities included as inkind donations in the financial statements and the corresponding program expenses for the years ended June 30, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Volunteers	\$ 298,971	\$ 271,159
Rent	41,732	41,732
Parking	17,280	17,280
Utilities	4,800	4,800
Maintenance	<u>2,500</u>	<u>2,500</u>
Total	\$ <u>365,283</u>	\$ <u>337,471</u>

ANNE ARUNDEL COUNTY CASA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

NOTE 10 - RETIREMENT PLAN

The Organization offers a simple IRA retirement plan for its employees. Under the plan, employees are eligible to contribute up to \$13,500 annually and become fully vested immediately. The Organization matches the first 3% of the employee's contribution. All employees earning more than \$5,000 are eligible for the plan. For the years ended June 30, 2022 and 2021, employer contributions totaled \$6,257 and \$5,811, respectively.