



## **FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED  
JUNE 30, 2025 AND 2024**

ANNE ARUNDEL COUNTY CASA, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

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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, 2025 and 2024, 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, 2025 and 2024, 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 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*

Annapolis, MD  
October 22, 2025

ANNE ARUNDEL COUNTY CASA, INC.  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2025 AND 2024

|  | 2025         | 2024         |
|--|--------------|--------------|
| <u>ASSETS</u>  |              |              |
| Current Assets:  |              |              |
| Cash and Cash Equivalents  | \$ 836,074   | \$ 525,575   |
| Grants and Contributions Receivable  | 28,738       | 29,150       |
| Prepaid Expenses   | 18,328       | 8,551        |
| Total Current Assets   | 883,140      | 563,276      |
| Fixed Assets:  |              |              |
| Property and Equipment, Net of Accumulated Depreciation<br>of \$69,466 and \$68,826 in 2025 and 2024, Respectively | 634          | 1,274        |
| Other Assets:  |              |              |
| Certificates of Deposit  | 302,854      | 509,759      |
| Investments  | 79,617       | -            |
| Beneficial Interest in Funds Held in Community Foundation  | 15,643       | 15,102       |
| Total Other Assets   | 398,114      | 524,861      |
| Total Assets   | \$ 1,281,888 | \$ 1,089,411 |
| <u>LIABILITIES AND NET ASSETS</u>  |              |              |
| Current Liabilities:   |              |              |
| Accounts Payable and Accrued Liabilities   | \$ 12,106    | \$ 13,021    |
| Total Current Liabilities  | 12,106       | 13,021       |
| Total Liabilities  | 12,106       | 13,021       |
| Net Assets:  |              |              |
| Without Donor Restrictions   |              |              |
| Undesignated   | 1,211,144    | 1,058,404    |
| Board Designated   | 15,643       | 15,102       |
| Total Without Donor Restrictions   | 1,226,787    | 1,073,506    |
| With Donor Restrictions  | 42,995       | 2,884        |
| Total Net Assets   | 1,269,782    | 1,076,390    |
| Total Liabilities and Net Assets   | \$ 1,281,888 | \$ 1,089,411 |

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, 2025 AND 2024

|  | 2025                          |                            |                            | 2024                          |                            |                            |
|--|-------------------------------|----------------------------|----------------------------|-------------------------------|----------------------------|----------------------------|
|  | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total                      | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total                      |
| <b>REVENUE AND SUPPORT</b>             |                               |                            |                            |                               |                            |                            |
| Contributions                          | \$ 106,826                    | \$ 450                     | \$ 107,276                 | \$ 146,465                    | \$ 700                     | \$ 147,165                 |
| Grants                                 | 208,082                       | 40,000                     | 248,082                    | 226,922                       | -                          | 226,922                    |
| Inkind Donations                       | 424,845                       | -                          | 424,845                    | 417,891                       | -                          | 417,891                    |
| Investment Income                      | 54,196                        | -                          | 54,196                     | 37,703                        | -                          | 37,703                     |
| Other Income                           | 85,088                        | -                          | 85,088                     |                               |                            |                            |
| Gross Special Events Revenue           | 389,632                       | -                          | 389,632                    | 273,314                       | -                          | 273,314                    |
| Less Cost of Direct Benefits to Donors | <u>(130,002)</u>              | <u>-</u>                   | <u>(130,002)</u>           | <u>(104,724)</u>              | <u>-</u>                   | <u>(104,724)</u>           |
| Net Special Events Revenue             | 259,630                       | -                          | 259,630                    | 168,590                       | -                          | 168,590                    |
| Net Assets Released from Restrictions  | <u>339</u>                    | <u>(339)</u>               | <u>-</u>                   | <u>4,643</u>                  | <u>(4,643)</u>             | <u>-</u>                   |
| <b>Total Revenue and Support</b>       | <b>1,139,006</b>              | <b>40,111</b>              | <b>1,179,117</b>           | <b>1,002,214</b>              | <b>(3,943)</b>             | <b>998,271</b>             |
| <b>EXPENSES</b>                        |                               |                            |                            |                               |                            |                            |
| Program Services                       | 932,886                       | -                          | 932,886                    | 912,818                       | -                          | 912,818                    |
| Management and General                 | 26,423                        | -                          | 26,423                     | 23,656                        | -                          | 23,656                     |
| Fundraising                            | <u>26,416</u>                 | <u>-</u>                   | <u>26,416</u>              | <u>25,130</u>                 | <u>-</u>                   | <u>25,130</u>              |
| <b>Total Expenses</b>                  | <b><u>985,725</u></b>         | <b><u>-</u></b>            | <b><u>985,725</u></b>      | <b><u>961,604</u></b>         | <b><u>-</u></b>            | <b><u>961,604</u></b>      |
| Change in Net Assets                   | 153,281                       | 40,111                     | 193,392                    | 40,610                        | (3,943)                    | 36,667                     |
| Net Assets at Beginning of Year        | <u>1,073,506</u>              | <u>2,884</u>               | <u>1,076,390</u>           | <u>1,032,896</u>              | <u>6,827</u>               | <u>1,039,723</u>           |
| Net Assets at End of Year              | \$ <u><u>1,226,787</u></u>    | \$ <u><u>42,995</u></u>    | \$ <u><u>1,269,782</u></u> | \$ <u><u>1,073,506</u></u>    | \$ <u><u>2,884</u></u>     | \$ <u><u>1,076,390</u></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, 2025

|  | Program<br>Services | Management<br>and<br>General | Fundraising      | Cost of<br>Direct Benefits<br>to Donors | Total<br>Expenses |
|--|---------------------|------------------------------|------------------|---|-------------------|
| Compensation and Related Expenses:   |                     |                              |                  |   |                   |
| Salaries   | \$ 354,792          | \$ 12,425                    | \$ 15,387        | -                                       | \$ 382,604        |
| Employee Benefits  | 31,479              | 1,102                        | 1,365            | -                                       | 33,946            |
| Payroll Taxes  | 24,985              | 875                          | 1,084            | -                                       | 26,944            |
| Total Compensation and Related Expenses  | 411,256             | 14,402                       | 17,836           | -                                       | 443,494           |
| Advertising  | 3,193               | 112                          | 139              | -                                       | 3,444             |
| Bank Charges   | -                   | 6,151                        | -                | -                                       | 6,151             |
| Depreciation   | -                   | 640                          | -                | -                                       | 640               |
| Equipment Expense  | 4,891               | 171                          | 212              | -                                       | 5,274             |
| Event Venues, Meals, and Entertainment   | -                   | -                            | -                | 130,002                                 | 130,002           |
| Inkind Rent and Parking  | 61,492              | 2,153                        | 2,667            | -                                       | 66,312            |
| Inkind Volunteer Services  | 358,533             | -                            | -                | -                                       | 358,533           |
| Insurance  | 3,748               | 131                          | 162              | -                                       | 4,041             |
| Interest   | -                   | 44                           | -                | -                                       | 44                |
| Memberships  | 2,307               | 81                           | 100              | -                                       | 2,488             |
| Office Supplies and Expenses   | 13,845              | 484                          | 2,905            | -                                       | 17,234            |
| Postage and Delivery   | 9                   | -                            | -                | -                                       | 9                 |
| Professional Services  | 36,785              | 1,409                        | 1,595            | -                                       | 39,789            |
| Public Relations   | 15,774              | 552                          | 684              | -                                       | 17,010            |
| Staff Development  | 8,761               | -                            | -                | -                                       | 8,761             |
| Telephone  | 2,676               | 93                           | 116              | -                                       | 2,885             |
| Travel   | 1,864               | -                            | -                | -                                       | 1,864             |
| Volunteer Recognition  | 557                 | -                            | -                | -                                       | 557               |
| Volunteer Training Expense   | 7,195               | -                            | -                | -                                       | 7,195             |
| Total Expenses by Function   | \$ 932,886          | \$ 26,423                    | \$ 26,416        | \$ 130,002                              | \$ 1,115,727      |
| Less Expenses Included with Revenues<br>on the Statement of Activities           |                     |                              |                  |   |                   |
| Cost of Direct Benefits to Donors  | \$ -                | \$ -                         | \$ -             | \$ (130,002)                            | \$ (130,002)      |
| Total Expenses Included in the Expense<br>Section on the Statement of Activities | \$ <u>932,886</u>   | \$ <u>26,423</u>             | \$ <u>26,416</u> | \$ <u>-</u>                             | \$ <u>985,725</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, 2024

|  | Program<br>Services | Management<br>and<br>General | Fundraising      | Cost of<br>Direct Benefits<br>to Donors | Total<br>Expenses |
|--|---------------------|------------------------------|------------------|---|-------------------|
| Compensation and Related Expenses:   |                     |                              |                  |   |                   |
| Salaries   | \$ 338,908          | \$ 11,869                    | \$ 14,698        | -                                       | \$ 365,475        |
| Employee Benefits  | 27,082              | 948                          | 1,174            | -                                       | 29,204            |
| Payroll Taxes  | 25,748              | 902                          | 1,117            | -                                       | 27,767            |
| Total Compensation and Related Expenses  | 391,738             | 13,719                       | 16,989           | -                                       | 422,446           |
| Advertising  | 1,483               | 52                           | 65               | -                                       | 1,600             |
| Bank Charges   | -                   | 4,488                        | -                | -                                       | 4,488             |
| Depreciation   | -                   | 640                          | -                | -                                       | 640               |
| Equipment Expense  | 4,458               | 156                          | 193              | -                                       | 4,807             |
| Event Venues, Meals, and Entertainment   | -                   | -                            | -                | 104,724                                 | 104,724           |
| Inkind Rent and Parking  | 61,636              | 2,089                        | 2,587            | -                                       | 66,312            |
| Inkind Volunteer Services  | 351,579             | -                            | -                | -                                       | 351,579           |
| Insurance  | 7,098               | 248                          | 307              | -                                       | 7,653             |
| Memberships  | 3,056               | 108                          | 132              | -                                       | 3,296             |
| Office Supplies and Expenses   | 13,700              | 477                          | 2,874            | -                                       | 17,051            |
| Postage and Delivery   | 2,272               | 80                           | 99               | -                                       | 2,451             |
| Professional Services  | 23,525              | 901                          | 1,020            | -                                       | 25,446            |
| Public Relations   | 16,864              | 591                          | 731              | -                                       | 18,186            |
| Staff Development  | 21,960              | -                            | -                | -                                       | 21,960            |
| Telephone  | 3,069               | 107                          | 133              | -                                       | 3,309             |
| Travel   | 1,999               | -                            | -                | -                                       | 1,999             |
| Volunteer Recognition  | 3,176               | -                            | -                | -                                       | 3,176             |
| Volunteer Training Expense   | 5,205               | -                            | -                | -                                       | 5,205             |
| Total Expenses by Function   | \$ 912,818          | \$ 23,656                    | \$ 25,130        | \$ 104,724                              | \$ 1,066,328      |
| Less Expenses Included with Revenues<br>on the Statement of Activities           |                     |                              |                  |   |                   |
| Cost of Direct Benefits to Donors  | \$ -                | \$ -                         | \$ -             | \$ (104,724)                            | \$ (104,724)      |
| Total Expenses Included in the Expense<br>Section on the Statement of Activities | \$ <u>912,818</u>   | \$ <u>23,656</u>             | \$ <u>25,130</u> | \$ <u>-</u>                             | \$ <u>961,604</u> |

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, 2025 AND 2024

|   | 2025       | 2024       |
|---|------------|------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |            |            |
| Change in Net Assets  | \$ 193,392 | \$ 36,667  |
| Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities: |            |            |
| Unrealized/Realized Gain on Investments   | 1,377      | (3,483)    |
| Depreciation  | 640        | 640        |
| Changes in Operating Assets and Liabilities:  |            |            |
| Grants and Contributions Receivable   | 412        | (1,458)    |
| Prepaid Expenses  | (9,777)    | 1,963      |
| Accounts Payable and Accrued Liabilities  | (915)      | (3,663)    |
| Unapplied Grant Funds   | -          | (2,505)    |
| Deferred Revenue  | -          | (1,750)    |
| Net Cash Provided by Operating Activities   | 185,129    | 26,411     |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |            |            |
| Purchase of Investments   | (76,087)   | -          |
| Purchase of Certificates of Deposits  | (200,000)  | (300,000)  |
| Redemption of Certificates of Deposits  | 400,000    | 400,000    |
| Additions to Beneficial Interest in Funds Held in Community Foundation                      | -          | (15,000)   |
| Sales of Investments  | 1,457      | -          |
| Net Cash Provided by Investing Activities   | 125,370    | 85,000     |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   |            |            |
|   | -          | -          |
| Net Change in Cash and Cash Equivalents   | 310,499    | 111,411    |
| Cash and Cash Equivalents Balance, Beginning of Year  | 525,575    | 414,164    |
| Cash and Cash Equivalents Balance, End of Year  | \$ 836,074 | \$ 525,575 |
| <b>SUPPLEMENTAL CASH FLOW INFORMATION</b>   |            |            |
| Interest Paid   | \$ 44      | \$ -       |
| Income Taxes Paid   | \$ -       | \$ -       |

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, 2025 AND 2024

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, 2025 AND 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Beneficial Interest in Assets Held by Community Foundation

In April 2025, the Organization established agency funds in the Community Foundation of Anne Arundel County (the "Community Foundation"), which is holding the assets in two separate accounts, one as an endowed component fund and one as a non-endowed component fund, for the benefit of the Organization. The Organization transferred \$5,000 into the endowed fund and \$10,000 into the non-endowed fund. The Organization will grant variance power to the Community Foundation if the endowed fund balance reaches the required \$25,000 threshold amount within three years, which will allow the Community Foundation to modify in any condition or restriction on its distributions for any specified charitable purpose or to any specified organization if, in the sole discretion of the Community Foundation's Board of Trustees, such purpose for which the fund was created ever become obsolete, inconsistent with the charitable needs of the community, or incapable of fulfillment. The funds are held and invested by the Community Foundation for the Organization's benefit and is reported at fair value as beneficial interest in assets held by community foundation in the statements of financial position. Changes in the value of the funds are reported as investment return in the statements of activities and changes in net assets. Distributions may be made annually and will be made under the terms of the Community Foundation's spending policy, which is designed to maintain and, if possible, increase the real value of the funds while at the same time providing a relatively stable but predictable level of funding. The Community Foundation's Board of Trustees reviews the spend rate annually and approves the spend rate for the following year.

Endowment Fund

The Board of Directors of the Organization has interpreted the Maryland Prudent Management of Institutional Funds Act (MPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as perpetually restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with perpetual restrictions is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by MPMIFA. In accordance with MPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

ANNE ARUNDEL COUNTY CASA, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Endowment Fund (Continued)

The Organization's endowment consists of certain net assets without donor restrictions that been designated for endowment by the Board of Directors.

The Organization's endowment serves to support current and future operations; its primary objectives are to provide a relatively predictable and increasing stream of earnings and to preserve and if possible, increase the real purchasing power of endowment assets in relation to the annual operating budget. These objectives will be realized through a long-term asset allocation policy designed to generate the highest total return consistent with minimizing the probability of a significant and protracted decrease in value.

To this end, the endowment is invested primarily in equities and mutual funds (broadly defined) through the Community Foundation. For the purpose of performance measurement, the primary objective is to equal the performance of the endowment's blended benchmark. the Organization follows the policies of the Community Foundation for investing and appropriating funds. The purpose of the fund is to provide income and long-term protection for the operation of the Organization.

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, 2025 and 2024. All receivables are considered collectible within one year.

ANNE ARUNDEL COUNTY CASA, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

ANNE ARUNDEL COUNTY CASA, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

*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.

ANNE ARUNDEL COUNTY CASA, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

*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.

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.

ANNE ARUNDEL COUNTY CASA, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

Advertising

Advertising costs are expensed as incurred. Total advertising expense for the years ended June 30, 2025 and 2024 were \$3,444 and \$1,600, respectively.

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 22, 2025 that would have a material impact on the financial statements.

ANNE ARUNDEL COUNTY CASA, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

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>2025</u>       | <u>2024</u>       |
|--|-------------------|-------------------|
| Financial Assets at Year End:  |                   |                   |
| Cash and Cash Equivalents  | \$ 836,704        | \$ 525,575        |
| Grants and Contributions Receivable  | <u>28,738</u>     | <u>29,150</u>     |
| Total Financial Assets Available Within One Year   | 865,442           | 554,725           |
| Less Amounts Not Available to be Used Within One Year,<br>Due to:                            |                   |                   |
| Restricted by Donors with Purpose Restrictions   | <u>(2,995)</u>    | <u>(2,884)</u>    |
| Total Financial Assets Available to Meet General<br>Expenditures Over the Next Twelve Months | \$ <u>862,447</u> | \$ <u>551,841</u> |

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2025 and 2024 consisted of the following:

|                                 | <u>2025</u>     | <u>2024</u>     |
|---------------------------------|-----------------|-----------------|
| Computer Equipment and Software | \$ 14,498       | \$ 14,498       |
| Equipment                       | 23,812          | 23,812          |
| Furniture and Fixtures          | <u>31,790</u>   | <u>31,790</u>   |
| Total                           | 70,100          | 70,100          |
| Less: Accumulated Depreciation  | <u>(69,466)</u> | <u>(68,826)</u> |
| Property and Equipment, Net     | \$ <u>634</u>   | \$ <u>1,274</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, 2025, the Organization did not have any cash 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.

ANNE ARUNDEL COUNTY CASA, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 5 - BENEFICIAL INTEREST IN ASSETS HELD BY COMMUNITY FOUNDATION

The following table presents the changes in the beneficial interest in funds held in the Community Foundation for the years ended June 30:

|                              | <u>2025</u>      | <u>2024</u>      |
|------------------------------|------------------|------------------|
| Balance at Beginning of Year | \$ 15,102        | \$ ---           |
| Contributions                | ---              | 15,000           |
| Share of Appreciation (Loss) | 541              | 102              |
| Distributions                | <u>---</u>       | <u>---</u>       |
| Balance at End of Year       | \$ <u>15,643</u> | \$ <u>15,102</u> |

NOTE 6 - FAIR VALUE MEASUREMENTS

The following table presents the Organization's fair value hierarchy for the assets and liabilities measured at fair value on a recurring basis as of June 30:

| <u>2025</u>                                    | Quoted Market<br>Prices in Active<br>Markets<br>(Level 1) | Other<br>Observable<br>Inputs<br>(Level 2) | Unobservable<br>Inputs<br>(Level 3) | Total             |
|--|---|--|-------------------------------------|-------------------|
| Certificates of Deposit                        | \$ ---  | \$ 302,854                                 | \$ ---                              | \$ 302,854        |
| Mutual Funds                                   | 79,617  | ---  | ---                                 | 79,617            |
| Community Foundation of<br>Anne Arundel County | \$ <u>---</u>   | \$ <u>---</u>                              | \$ <u>15,643</u>                    | \$ <u>15,643</u>  |
| Balance at End of Year                         | \$ <u>79,617</u>  | \$ <u>302,854</u>                          | \$ <u>15,643</u>                    | \$ <u>398,114</u> |

| <u>2024</u>                                    | Quoted Market<br>Prices in Active<br>Markets<br>(Level 1) | Other<br>Observable<br>Inputs<br>(Level 2) | Unobservable<br>Inputs<br>(Level 3) | Total             |
|--|---|--|-------------------------------------|-------------------|
| Certificates of Deposit                        | \$ ---  | \$ 509,759                                 | \$ ---                              | \$ 509,759        |
| Community Foundation of<br>Anne Arundel County | \$ <u>---</u>   | \$ <u>---</u>                              | \$ <u>15,102</u>                    | \$ <u>15,102</u>  |
| Balance at End of Year                         | \$ <u>---</u>   | \$ <u>509,759</u>                          | \$ <u>15,102</u>                    | \$ <u>524,861</u> |

ANNE ARUNDEL COUNTY CASA, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 6 - FAIR VALUE MEASUREMENTS (CONTINUED)

The beneficial interest in assets held at the Community Foundation has been valued as a practical expedient, at the fair value of the Organization’s share of the Community Foundation’s investment pool as of the measurement date. The Organization values securities and other financial instruments on a fair value basis of accounting. The estimated fair values of certain investments of the Community Foundation, which includes private placements and other securities for which prices are not readily available, are determined by the management of the Community Foundation and may not reflect amounts that could be realized upon immediate sale, nor amounts that ultimately may be realized. Accordingly, the estimated fair values may differ significantly from the value that would have been used had a ready market existed for these investments.

Following is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended June 30:

|                               | <u>2025</u>      |    | <u>2024</u>   |
|-------------------------------|------------------|----|---------------|
| Balance at Beginning of Year  | \$ 15,102        | \$ | ---           |
| Purchases                     | ---              |    | 15,000        |
| Investment Return (Loss), Net | 541              |    | 102           |
| Distributions                 | <u>---</u>       |    | <u>---</u>    |
| Balance at End of Year        | \$ <u>15,643</u> | \$ | <u>15,102</u> |

NOTE 7 - ENDOWMENT FUND

The endowment fund at June 30, 2025 consisted of the following:

|  | <u>Without<br/>Donor<br/>Restrictions</u> | <u>With Donor<br/>Restrictions</u> | <u>Endowment<br/>Net Assets</u> |
|--|---|------------------------------------|---------------------------------|
| Endowment Funds                              | \$ <u>5,243</u>                           | \$ <u>---</u>                      | \$ <u>5,243</u>                 |
|  | <u>Without<br/>Donor<br/>Restrictions</u> | <u>With Donor<br/>Restrictions</u> | <u>Endowment<br/>Net Assets</u> |
| Endowment Net Assets,<br>Beginning of Year   | \$ 5,034                                  | \$ ---                             | \$ 5,034                        |
| Contributions                                | ---                                       | ---                                | ---                             |
| Investment Return, Net                       | 209                                       | ---                                | 209                             |
| Distribution Pursuant to Distribution Policy | <u>---</u>                                | <u>---</u>                         | <u>---</u>                      |
| Endowment Net Assets,<br>End of Year         | \$ <u>5,243</u>                           | \$ <u>---</u>                      | \$ <u>5,243</u>                 |

ANNE ARUNDEL COUNTY CASA, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 7 - ENDOWMENT FUND (CONTINUED)

The endowment fund at June 30, 2024 consisted of the following:

|  | <u>Without<br/>Donor<br/>Restrictions</u> | <u>With Donor<br/>Restrictions</u> | <u>Endowment<br/>Net Assets</u> |
|--|---|------------------------------------|---------------------------------|
| Endowment Funds                              | \$ <u>5,034</u>                           | \$ <u>---</u>                      | \$ <u>5,034</u>                 |
|  |   |                                    |                                 |
|  | <u>Without<br/>Donor<br/>Restrictions</u> | <u>With Donor<br/>Restrictions</u> | <u>Endowment<br/>Net Assets</u> |
| Endowment Net Assets,<br>Beginning of Year   | \$ ---                                    | \$ ---                             | \$ ---                          |
| Contributions                                | 5,000                                     | ---                                | 5,000                           |
| Investment Return, Net                       | 34  | ---                                | 34                              |
| Distribution Pursuant to Distribution Policy | <u>---</u>                                | <u>---</u>                         | <u>---</u>                      |
| Endowment Net Assets,<br>End of Year         | \$ <u>5,034</u>                           | \$ <u>---</u>                      | \$ <u>5,034</u>                 |

NOTE 8 - REVENUE FROM CONTRACTS WITH CUSTOMERS

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

|  | <u>2025</u>    | <u>2024</u>    |
|--|----------------|----------------|
| Deferred Special Event Fees,<br>Beginning of Year      | \$ ---         | \$ 1,750       |
| Revenue Recognized of Special Event Fees               | (389,632)      | (273,314)      |
| Cash Received for Special Event Fees During the Period | <u>389,632</u> | <u>271,564</u> |
| Deferred Special Event Fees, End of Year               | \$ <u>---</u>  | \$ <u>---</u>  |

NOTE 9 - BOARD DESIGNATED FUNDS

Board designated funds are comprised of the following at June 30:

|                                  | <u>2025</u>      | <u>2024</u>      |
|----------------------------------|------------------|------------------|
| Board Designated - Reserve Funds | \$ 10,400        | \$ 10,068        |
| Board Designated - Endowed Funds | <u>5,243</u>     | <u>5,034</u>     |
| Total Board Designated           | \$ <u>15,643</u> | \$ <u>15,102</u> |

ANNE ARUNDEL COUNTY CASA, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 10 - NET ASSETS WITH DONOR RESTRICTIONS

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

|  | <u>2025</u>      | <u>2024</u>     |
|--|------------------|-----------------|
| Subject to Expenditure for Specific Purpose: |                  |                 |
| Rex's Support Squad                          | \$ 2,995         | \$ 2,128        |
| Brandy's Fund                                | <u>---</u>       | <u>756</u>      |
| Total Purpose Restricted Net Assets          | 2,995            | 2,884           |
| Subject to Passage of Time                   | <u>40,000</u>    | <u>---</u>      |
| Total Net Assets with Donor Restrictions     | \$ <u>42,995</u> | \$ <u>2,884</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>2025</u>   | <u>2024</u>     |
|---------------------------------------|---------------|-----------------|
| Satisfaction of Purpose Restrictions: |               |                 |
| Rex's Support Squad                   | \$ 339        | \$ 1,573        |
| Expiration of Time Restrictions       | <u>---</u>    | <u>3,070</u>    |
| Total                                 | \$ <u>339</u> | \$ <u>4,643</u> |

NOTE 11 - DONATED SERVICES

During the years ended June 30, 2025 and 2024, trained CASA volunteers contributed 10,091 and 10,198 hours, respectively, of service to the Organization. Management has estimated the value of those services to be \$35.53 and \$34.99 per hour for the years ended June 30, 2025 and 2024, respectively. The value of donated services and facilities included as in-kind donations in the financial statements and the corresponding program expenses for the years ended June 30, 2025 and 2024 are as follows:

|             | <u>2025</u>       | <u>2024</u>       |
|-------------|-------------------|-------------------|
| Volunteers  | \$ 358,533        | \$ 351,579        |
| 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>424,845</u> | \$ <u>417,891</u> |

ANNE ARUNDEL COUNTY CASA, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 12 - 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, 2025 and 2024, employer contributions totaled \$10,374 and \$8,505, respectively.