

**CASA for Lancaster County**

**Audit of Financial  
Statements**

**For the Years Ended  
June 30, 2021 and 2020**

**BUCKLEY & SITZMAN, LLP  
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Lincoln, Nebraska 68506  
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**CASA for Lancaster County**

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**June 30, 2021 and 2020**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
CASA for Lancaster County  
Lincoln, Nebraska

We have audited the accompanying financial statements of CASA for Lancaster County (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CASA for Lancaster County as of June 30, 2021 and 2020, 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.

*Buckley & Sitzman, LLP*  
Buckley & Sitzman, LLP

Lincoln, Nebraska  
November 2, 2021

**CASA for Lancaster County  
Statements of Financial Position  
June 30, 2021 and 2020**

**ASSETS**

	<b>2021</b>	<b>2020</b>
Current Assets		
Cash and Cash Equivalents	\$ 179,409	\$ 110,170
Investments, at Market Value	54,402	42,979
Promises to Give	<u>103,278</u>	<u>47,600</u>
Total Current Assets	<u>337,089</u>	<u>200,749</u>
Other Assets		
Promises to Give	<u>700</u>	<u>1,150</u>
Total Other Assets	<u>700</u>	<u>1,150</u>
<b>Total Assets</b>	<u><u>\$ 337,789</u></u>	<u><u>\$ 201,899</u></u>

**LIABILITIES AND NET ASSETS**

Current Liabilities		
Accounts Payable	\$ 2,292	\$ 976
Accrued Payroll Liabilities	14,028	13,445
Note Payable - PPP	<u>-</u>	<u>23,100</u>
Total Current Liabilities	<u>16,320</u>	<u>37,521</u>
Net Assets		
Without Donor Restrictions	195,861	99,767
Without Donor Restrictions - Board Designated	21,630	15,861
With Donor Restrictions	<u>103,978</u>	<u>48,750</u>
Total Net Assets	<u>321,469</u>	<u>164,378</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 337,789</u></u>	<u><u>\$ 201,899</u></u>

See accompanying notes to financial statements.

**CASA for Lancaster County**  
**Statements of Activities**  
**For the Years Ended June 30, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
Changes in Net Assets without Donor Restrictions		
Revenue and Support		
Charitable Donations	\$ 66,255	\$ 43,963
Fundraisers	30,200	38,651
Grants	173,308	167,966
PPP Loans Forgiven	46,290	-
Miscellaneous Revenue	105	390
Investment Income (Loss), Net	11,594	(879)
Total Revenue and Support	327,752	250,091
Net Assets Released from Donor Restrictions		
Nebraska Crime Commission	3,094	2,803
United Way	24,056	26,437
Lancaster County	20,000	24,398
Contributions	650	200
Total Net Assets Released from Donor Restrictions	47,800	53,838
Total Revenue without Donor Restrictions	375,552	303,929
Expenses		
Program Services	235,621	233,448
Support Services		
Management and General	33,955	33,465
Fundraising	4,114	9,405
Total Expenses	273,690	276,318
Increase in Net Assets without Donor Restrictions	101,862	27,611
Changes in Net Assets with Donor Restrictions		
Revenue and Support		
United Way	25,558	24,056
Lancaster County	27,656	20,000
Nebraska Crime Commission	49,815	3,094
Net Assets Released from Restrictions		
Nebraska Crime Commission	(3,094)	(2,803)
United Way	(24,056)	(26,437)
Lancaster County	(20,000)	(24,398)
Contributions	(650)	(200)
Increase (Decrease) in Net Assets with Donor Restrictions	55,229	(6,688)
Increase in Net Assets	157,091	20,923
Net Assets, Beginning of Year	164,378	143,455
Net Assets, End of Year	\$ 321,469	\$ 164,378

See accompanying notes to financial statements.

**CASA for Lancaster County**  
**Statements of Functional Expenses**  
**For the Years Ended June 30, 2021 and 2020**

	2021				2020			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Fundraising expense	\$ -	\$ -	\$ 764	\$ 764	\$ -	\$ -	\$ 6,155	\$ 6,155
Insurance	4,633	1,544	-	6,177	4,532	1,510	-	6,042
Membership	-	2,746	-	2,746	-	2,394	-	2,394
National conference	-	939	-	939	-	15	-	15
Office expense	6,672	2,223	-	8,895	5,970	1,989	-	7,959
Salaries	176,897	10,050	3,350	190,297	174,923	9,750	3,250	187,923
Payroll taxes	11,024	3,675	-	14,698	10,670	3,557	-	14,227
Professional fees	4,426	1,474	-	5,900	4,013	1,337	-	5,350
Postage	295	98	-	393	420	139	-	559
Occupancy	15,300	5,100	-	20,400	15,300	5,100	-	20,400
Utilities and telephone	1,667	555	-	2,222	2,045	682	-	2,727
Training expense	1,279	-	-	1,279	1,995	-	-	1,995
Travel expense	-	-	-	-	1,113	371	-	1,484
Miscellaneous expense	1,004	335	-	1,339	4,529	1,511	-	6,040
Marketing and outreach	7,402	-	-	7,402	5,009	-	-	5,009
Website	-	5,214	-	5,214	-	5,109	-	5,109
Volunteer expense	5,024	-	-	5,024	2,929	-	-	2,929
<b>Total Expenses</b>	<b>\$ 235,621</b>	<b>\$ 33,955</b>	<b>\$ 4,114</b>	<b>\$ 273,690</b>	<b>\$ 233,448</b>	<b>\$ 33,465</b>	<b>\$ 9,405</b>	<b>\$ 276,318</b>

See accompanying notes to financial statements

**CASA for Lancaster County**  
**Statements of Cash Flows**  
**For the Years Ended June 30, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
Cash Flows from Operating Activities		
Cash received from revenue and support	\$ 374,619	\$ 302,584
Cash paid to employees and suppliers	(271,790)	(276,044)
Net unrealized and realized gains (losses) on investment	(10,977)	1,104
Donated securities	(10,592)	(514)
Interest received	933	1,345
	<u>82,193</u>	<u>28,475</u>
Net Cash Provided by Operating Activities	82,193	28,475
Cash Flows from Investing Activities		
Proceeds from sale of investments	<u>10,146</u>	<u>486</u>
Net Cash Provided by Investing Activities	10,146	486
Cash Flows from Financing Activities		
Net borrowings (forgiveness) of PPP loan	<u>(23,100)</u>	<u>23,100</u>
Increase in Cash and Cash Equivalents	69,239	52,061
Cash and Cash Equivalents, Beginning of Year	<u>110,170</u>	<u>58,109</u>
Cash and Cash Equivalents, End of Year	<u>\$ 179,409</u>	<u>\$ 110,170</u>
Reconciliation of Increase in Net Assets to Net Cash Provided by Operating Activities		
Increase in Net Assets	<u>\$ 157,091</u>	<u>\$ 20,923</u>
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities		
Donated securities	(10,592)	(514)
Net unrealized and realized gains (losses) on investment	(10,977)	1,104
(Increase) decrease in assets		
Promises to give	(55,228)	6,688
Increase (decrease) in liabilities		
Accounts payable	1,316	(2,559)
Accrued payroll liabilities	583	2,833
Total Adjustments to Increase in Net Assets	<u>(74,898)</u>	<u>7,552</u>
Net Cash Provided by Operating Activities	<u>\$ 82,193</u>	<u>\$ 28,475</u>

See accompanying notes to financial statements.



**CASA for Lancaster County**  
**Notes to Financial Statements**  
**For the Years Ended June 30, 2021 and 2020**

**Note 1: Nature of Operations and Summary of Significant Accounting Policies**

***Nature of Operations***

CASA for Lancaster County is a not-for-profit corporation formed to provide court appointed support and guidance to abused and neglected children in the State of Nebraska.

***Method of Accounting***

The accompanying financial statements have been prepared on the accrual basis of accounting.

***Use 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 at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

***Financial Statement Presentation***

The financial statements have been prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America and with the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, Not-for-Profit Entities, which requires CASA for Lancaster County to classify its net assets into two categories based on the existence or absence of donor-imposed restrictions; net assets with donor imposed restrictions and net assets without donor imposed restrictions.

***Net assets with donor restrictions***

Those whose use by CASA for Lancaster County has been limited by donors to a specific time period or purpose, and those that CASA for Lancaster County is required to hold in perpetuity.

***Net assets without donor restrictions***

Those not subject to donor-imposed restrictions. CASA for Lancaster County reports all expenditures in this class of net assets, since the use of restricted net assets in accordance with donors' stipulations result in the release of the restriction.

***Cash Equivalents***

CASA for Lancaster County considers all unrestricted liquid investments with original maturities of three months or less to be cash equivalents.

***Vacation Leave Policy***

Employees are allowed a maximum of 160 hours of vacations per fiscal year and may carry over a maximum of 15 days of unused vacation hours to the following year.

***Functional Expenses***

The costs of providing various programs and other activities have been summarized on a functional basis within the statement of functional expenses. Certain categories of expenses are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. These expenses are charged directly to program or support services based on specific identification. Indirect expenses have been allocated based on estimates of management.

**CASA for Lancaster County**  
**Notes to Financial Statements**  
**For the Years Ended June 30, 2021 and 2020**

**Note 1: Nature of Operations and Summary of Significant Accounting Policies – Continued**

***Promises to Give***

Contributions are recognized when the donor makes a promise to give to CASA for Lancaster County that is unconditional. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. All donor restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a time restriction expires or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. Contributions having donor stipulations that are satisfied in the period the gift is received are reported as revenue and net assets without donor restrictions. Based on a review of outstanding receivables and historical collections information, management has deemed no allowance is necessary for doubtful accounts.

***Property and Equipment***

Property and equipment is stated at cost if purchased, or at estimated fair value if donated, and is depreciated on a straight-line basis over the estimated useful life of each asset, which is between five and seven years. CASA for Lancaster County's policy is to capitalize property and equipment expenditures over \$500 and expense those under that amount.

***Income Taxes***

CASA for Lancaster County is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of state law. Therefore, income earned in the performance of its exempt purpose is not subject to income tax. However, CASA for Lancaster County is subject to federal income tax on any unrelated business taxable income at normal corporate rates.

***Investments, net***

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 statements of activities, net of investment fees.

***Revenue Recognition***

CASA for Lancaster County follows ASU 2014-09, Revenue from Contracts with Customers (Topic 606) ("ASU 2014-09"). Accordingly, CASA's policy for revenue recognition is defined below.

CASA for Lancaster County's revenues consist primarily of contributions, which are recognized when the donor makes a promise to give that is, in substance, unconditional. Contributions that do not meet the definition of an exchange transaction in accordance with ASU 2014-09 are accounted for under the guidance in Accounting Standards Codification 958 "Not-for-Profit Entities." Contributions that are restricted by the donor are reported as net increases in net assets with donor restrictions unless the restrictions expire in the same fiscal year in which the contributions are recognized. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Amounts due from donors are classified as pledges receivable on the statements of financial position.

**CASA for Lancaster County**  
**Notes to Financial Statements**  
**For the Years Ended June 30, 2021 and 2020**

**Note 1: Nature of Operations and Summary of Significant Accounting Policies – Continued**

***Forgivable Loans – Paycheck Protection Program (PPP)***

CASA for Lancaster County’s policy is to account for forgivable loans received through the Small Business Administration (SBA) under the Coronavirus Aid Relief Economic Security (CARES) Act’s PPP as debt. When the debt is extinguished, which occurs when the debt is legally released by the SBA, all principal and accrued interest is recorded as a gain on extinguishment of debt in other income.

***Reclassifications***

Certain prior year amounts have been reclassified to conform to the 2021 financial statement presentation. These reclassifications had no effect on the reported change in net assets.

**Note 2: Property and Equipment**

The net book value of CASA for Lancaster County’s property and equipment at June 30 consists of:

	<b>2021</b>	<b>2020</b>
Property and equipment	\$ 18,408	\$ 18,408
Less accumulated depreciation	(18,408)	(18,408)
	\$ -	\$ -

**Note 3: Net Assets with Donor Restrictions**

As of June 30, net assets with donor restrictions consist of:

	<b>2021</b>	<b>2020</b>
Lancaster County	\$ 27,655	\$ 20,000
United Way	25,558	24,056
Nebraska Crime Commission	49,815	3,094
Breakfast pledges	950	1,600
	\$ 103,978	\$ 48,750

**Note 4: Promises to Give**

As of June 30, promises to give consist of the following:

	<b>2021</b>	<b>2020</b>
Due within one year	\$ 103,278	\$ 47,600
Due within one to five years	700	1,150
	\$ 103,978	\$ 48,750

**CASA for Lancaster County**  
**Notes to Financial Statements**  
**For the Years Ended June 30, 2021 and 2020**

**Note 5: Operating Leases**

CASA for Lancaster County conducts its operations from office space covered by an operating lease expiring in August 2021. The organization also leases certain office equipment under various operating leases extending beyond twelve months.

The financial statements include rent expense of \$23,033 and \$23,357 for the years ended June 30, 2021 and 2020, respectively.

Future minimum lease payments on non-cancellable operating leases extending beyond one year are as follows at June 30, 2021:

<u>Year ending June 30,</u>	
2022	4,900
2023	1,500
2024	1,500
2025	<u>625</u>
	<u>\$ 8,525</u>

**Note 6: Uncertain Tax Positions**

Management has analyzed the tax positions taken by CASA for Lancaster County, and has concluded that as of June 30, 2021, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. CASA for Lancaster County's tax years open to examination by the IRS are those years ending June 30, 2019, 2020 and 2021.

**Note 7: Investments**

Investments consist of marketable securities, fixed income, and equity funds with a total estimated fair market value of \$54,402 and \$42,979 at June 30, 2021 and 2020, respectively. CASA for Lancaster County paid investment advisory fees of \$545 and \$530 during the year ended June 30, 2021 and 2020, respectively.

**Note 8: Fair Value of Investments**

CASA for Lancaster County has adopted the provisions of FASB ASC 820. Under FASB ASC 820, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

FASB ASC 820 establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of CASA for Lancaster County. Unobservable inputs reflect the entity's assumption about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

**CASA for Lancaster County**  
**Notes to Financial Statements**  
**For the Years Ended June 30, 2021 and 2020**

**Note 8: Fair Value of Investments – Continued**

The fair value hierarchy is categorized into three levels based on the inputs as follows:

- Level 1 Valuations based on unadjusted quoted prices for identical assets or liabilities that the entity has the ability to access. Valuation adjustments and block discounts are not applied to Level 1 securities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.
- Level 2 Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.
- Level 3 Valuations based on inputs that are unobservable, supported by little or no market activity, and significant to the overall fair value measurement.

The fair value of CASA for Lancaster County investments, based on FASB ASC 820 measurement criteria, total \$54,402 and \$42,979, and fall within Level 1, at June 30, 2021 and 2020 respectively.

**Note 9: Payroll Protection Program (PPP) Loan Payable**

On April 16, 2020 and March 25, 2021, CASA for Lancaster County was granted loans from Nebraska Bank of Commerce in the aggregate amount of \$46,290, pursuant to the Paycheck Protection Program (the “PPP”) under Division A, Title I of the CARES Act, which was enacted March 27, 2020.

The loans were forgiven in November of 2020 and July of 2021, as the Company used the loan proceeds for eligible purposes, including payroll costs, benefits, rent and utilities, and maintained its payroll levels, as defined.

**Note 10: Subsequent Events**

In preparing the financial statements, CASA for Lancaster County management has evaluated events and transactions for potential recognition or disclosure through the report date, which is the date the financial statements were available to be issued.

**Note 11: Endowment Funds**

The Financial Accounting Standards Board has issued guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA).

The State of Nebraska adopted UPMIFA, and CASA for Lancaster County subsequently adopted the Financial Accounting Standards Board’s guidance and required disclosures. The Board of Directors has determined the majority of the net assets do not meet the definition of “endowment” under UPMIFA.

**CASA for Lancaster County**  
**Notes to Financial Statements**  
**For the Years Ended June 30, 2021 and 2020**

**Note 11: Endowment Funds – Continued**

In accordance with UPMIFA, CASA for Lancaster County considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The purposes of CASA for Lancaster County and the donor-restricted endowment funds
2. The duration and preservation of the funds
3. General economic conditions; the possible impacts of inflation or deflation
4. The expected total return from income and the appreciation of investments
5. CASA for Lancaster County’s investment policies

All endowment net assets relate to board designated endowment funds for which CASA for Lancaster County has the ability to distribute principal, but is managing the funds in accordance with the donor’s desire that the funds be perpetual in nature. As such, the endowed funds totaling \$21,630 and \$15,861 for the years ended June 30, 2021 and 2020, respectively, are entirely included in the without donor restrictions – board designated balance, due to the available variance power granted to CASA in the donor agreements.

To satisfy its long-term rate of return objective, CASA for Lancaster County relies on a total return strategy which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). CASA for Lancaster County maintains a balanced portfolio of equities and fixed income investments in order to achieve its long-term objectives consistent with the preservation of capital.

Changes in endowment net assets for the year ended June 30, 2021 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 15,861	\$ -	\$ 15,861
Contributions	-	-	-
Investment return:			
Investment income, net	5,769	-	5,769
Total investment return	5,769	-	5,769
Amounts appropriated for expenditure	-	-	-
Endowment net assets, end of year	\$ 21,630	\$ -	\$ 21,630

**CASA for Lancaster County**  
**Notes to Financial Statements**  
**For the Years Ended June 30, 2021 and 2020**

**Note 12: Liquidity and Availability**

CASA for Lancaster County’s financial assets available within one year of the balance sheet date for general expenditures are as follows:

	<b>2021</b>	<b>2020</b>
Total assets at year end	\$ 337,789	\$ 201,899
Less:		
Pledges receivable due in more than one year	(700)	(1,150)
Endowed Funds	<u>(21,630)</u>	<u>(15,861)</u>
Financial assets available at year end for general expenditure:	<u>\$ 315,459</u>	<u>\$ 184,888</u>

Although the Board does not intend to spend from their Board-designated funds, with Board approval, amounts could be made available if necessary.