

**CASA/Prince George's County, Inc.  
Financial Statements  
June 30, 2020 and 2019**



## TABLE OF CONTENTS

---

	Page
<b>INDEPENDENT AUDITOR'S REPORT</b>	1
<b>FINANCIAL STATEMENTS</b>	
Statements of Financial Position	2
Statements of Activities	3 - 4
Statements of Functional Expenses	5 - 6
Statements of Cash Flows	7
Notes to the Financial Statements	8 - 12

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
CASA/Prince George's County, Inc.

We have audited the accompanying financial statements of CASA/Prince George's County, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, 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 from 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/Prince George's County, Inc. as of June 30, 2020 and 2019, 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.



Timonium, Maryland  
March 8, 2021

**CASA/PRINCE GEORGE'S COUNTY, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2020 AND 2019**

	2020	2019
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 513,745	\$ 321,740
Grants receivable	107,921	100,788
Promises to give	37,500	75,000
Prepaid expenses	4,449	4,478
<b>Total current assets</b>	<b>663,615</b>	<b>502,006</b>
<b>PROPERTY AND EQUIPMENT</b>		
Office equipment, at cost	22,715	26,907
Less: accumulated depreciation	(18,044)	(19,108)
<b>Net property and equipment</b>	<b>4,671</b>	<b>7,799</b>
<b>OTHER ASSETS</b>		
Rent deposit	4,344	4,344
<b>TOTAL ASSETS</b>	<b>\$ 672,630</b>	<b>\$ 514,149</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 369	\$ 3,684
Accrued payroll liabilities	74,186	62,509
Deferred revenue	3,814	-
Tenant security deposits	370	370
Loan payable	120,700	-
<b>Total current liabilities / total liabilities</b>	<b>199,439</b>	<b>66,563</b>
<b>NET ASSETS</b>		
Without donor restrictions		
Undesignated	310,225	300,119
Board designated	95,155	69,961
	<b>405,380</b>	<b>370,080</b>
With donor restrictions	67,811	77,506
<b>Total net assets</b>	<b>473,191</b>	<b>447,586</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 672,630</b>	<b>\$ 514,149</b>

See accompanying notes.

**CASA/PRINCE GEORGE'S COUNTY, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Contributions and grants	\$ 838,619	\$ 63,392	\$ 902,011
Special event	12,931	-	12,931
Rental income	8,880	-	8,880
Interest income	194	-	194
<b>NET ASSETS RELEASED FROM RESTRICTION</b>			
Satisfaction of program restrictions	73,087	(73,087)	-
<b>Total support and revenue</b>	<b>933,711</b>	<b>(9,695)</b>	<b>924,016</b>
<b>EXPENSES</b>			
Program services	758,200	-	758,200
Administration	81,925	-	81,925
Fundraising	58,286	-	58,286
<b>Total expenses</b>	<b>898,411</b>	<b>-</b>	<b>898,411</b>
<b>CHANGE IN NET ASSETS</b>	<b>35,300</b>	<b>(9,695)</b>	<b>25,605</b>
<b>NET ASSETS</b>			
<b>BEGINNING OF YEAR</b>	<b>370,080</b>	<b>77,506</b>	<b>447,586</b>
<b>END OF YEAR</b>	<b>\$ 405,380</b>	<b>\$ 67,811</b>	<b>\$ 473,191</b>

See accompanying notes.

**CASA/PRINCE GEORGE'S COUNTY, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Contributions and grants	\$ 670,978	\$ 75,330	\$ 746,308
Special event	16,849	2,000	18,849
Rental income	2,220	-	2,220
Interest income	181	-	181
<b>NET ASSETS RELEASED FROM RESTRICTION</b>			
Satisfaction of program restrictions	131,916	(131,916)	-
<b>Total support and revenue</b>	<b>822,144</b>	<b>(54,586)</b>	<b>767,558</b>
<b>EXPENSES</b>			
Program services	655,546	-	655,546
Administration	68,852	-	68,852
Fundraising	51,388	-	51,388
<b>Total expenses</b>	<b>775,786</b>	<b>-</b>	<b>775,786</b>
<b>CHANGE IN NET ASSETS</b>	<b>46,358</b>	<b>(54,586)</b>	<b>(8,228)</b>
<b>NET ASSETS</b>			
<b>BEGINNING OF YEAR</b>	<b>323,722</b>	<b>132,092</b>	<b>455,814</b>
<b>END OF YEAR</b>	<b>\$ 370,080</b>	<b>\$ 77,506</b>	<b>\$ 447,586</b>

See accompanying notes.

**CASA/PRINCE GEORGE'S COUNTY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Program Services			Total
	Youth Advocacy	Administration	Fundraising	
Depreciation	\$ 2,737	\$ 174	\$ 217	\$ 3,128
Employee benefits	20,216	1,286	1,605	23,107
Equipment	2,841	181	226	3,248
Finger printing / screening	1,087	-	-	1,087
Insurance	-	10,508	-	10,508
Memberships	-	2,140	-	2,140
Miscellaneous	-	35	-	35
Office supplies / postage	4,025	256	320	4,601
Pandemic response				
Grocery gift cards / food	12,080	-	-	12,080
PPE / supplies / other equipment	7,233	-	-	7,233
Payroll taxes	40,441	2,573	3,210	46,224
Professional fees	19,395	25,862	-	45,257
Rent	48,863	3,108	3,879	55,850
Salaries	552,213	35,124	43,836	631,173
Special event supplies	-	-	4,149	4,149
Staff development	4,028	-	-	4,028
Technology	7,271	464	577	8,312
Telephone	3,365	214	267	3,846
Travel	2,662	-	-	2,662
Volunteer expenses	28,748	-	-	28,748
Youth expenses	995	-	-	995
<b>Total</b>	<b>\$ 758,200</b>	<b>\$ 81,925</b>	<b>\$ 58,286</b>	<b>\$ 898,411</b>

See accompanying notes.

**CASA/PRINCE GEORGE'S COUNTY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Program Services			Total
	Youth Advocacy	Administration	Fundraising	
Depreciation	\$ 4,045	\$ 242	\$ 323	\$ 4,610
Employee benefits	20,235	1,208	1,617	23,060
Equipment	3,007	180	240	3,427
Finger printing / screening	1,888	-	-	1,888
Insurance	-	6,631	-	6,631
Memberships	-	2,061	-	2,061
Miscellaneous	-	285	-	285
Office supplies / postage	7,108	424	568	8,100
Pandemic response				
Grocery gift cards / food	-	-	-	-
PPE / supplies / other equipment	-	-	-	-
Payroll taxes	36,142	2,158	2,888	41,188
Professional fees	18,845	23,467	-	42,312
Rent	33,375	1,992	2,667	38,034
Salaries	489,213	29,203	39,092	557,508
Special event supplies	-	-	2,655	2,655
Staff development	2,132	-	-	2,132
Technology	13,594	812	1,086	15,492
Telephone	3,157	189	252	3,598
Travel	4,131	-	-	4,131
Volunteer expenses	16,330	-	-	16,330
Youth expenses	2,344	-	-	2,344
<b>Total</b>	<b>\$ 655,546</b>	<b>\$ 68,852</b>	<b>\$ 51,388</b>	<b>\$ 775,786</b>

See accompanying notes.



**CASA/PRINCE GEORGE'S COUNTY, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 25,605	\$ (8,228)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	3,128	4,610
(Increase) decrease in operating assets:		
Grants receivable	(7,133)	28,979
Promises to give	37,500	31,000
Prepaid expenses	29	2,158
Rent deposit	-	(1,906)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(3,315)	2,522
Accrued payroll liabilities	11,677	6,842
Deferred revenue	3,814	-
Tenant security deposits	-	370
	<u>71,305</u>	<u>66,347</u>
<b>Net cash provided (used) by operating activities</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Net cash provided (used) by investing activities</b>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from loan payable	<u>120,700</u>	<u>-</u>
<b>Net cash provided (used) by financing activities</b>	<u>120,700</u>	<u>-</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	192,005	66,347
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<u>321,740</u>	<u>255,393</u>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<u>\$ 513,745</u>	<u>\$ 321,740</u>

See accompanying notes.

---

**CASA/PRINCE GEORGE'S COUNTY, INC.**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

---

**NOTE 1**      **Summary of Significant Accounting Policies**

**Nature of activities** - CASA/Prince George's County, Inc. (CASA) was organized on January 31, 1992 and is a volunteer-based organization that partners with the juvenile court to improve the lives of children living in foster care in Prince George's County who have suffered from abuse and neglect. CASA recruits, trains, and supervises volunteers from the community who serve as court appointed special advocates and advocate for the best interest of children and help them navigate their experience in foster care until they are placed in safe, nurturing and permanent homes.

**Basis of presentation and net assets** - The financial statements of CASA have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP), which require CASA to report information regarding its financial position and activities according to the following net asset classifications:

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of CASA. These net assets may be used at the discretion of CASA's management and the Board of Directors. Board designated net assets represent amounts established by the Board of Directors which are funds without donor restrictions set aside for future needs for CASA.

**Net assets with donor restrictions:** Net assets that are subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of CASA or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

**Use of estimates** - The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Cash and cash equivalents** - Cash and cash equivalents include all monies in banks and highly liquid investments with initial maturity dates of three months or less. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

**Grants receivable** - Grants receivable are presented at net realizable value. Management periodically evaluates the balances in the aging categories as well as the status of any past due accounts to determine if any balances are uncollectible. Based on historical trends, management considers all grants receivable to be fully collectible and, therefore, has not established a provision for uncollectible accounts.

**Promises to give** - Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases in liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Promises to give, due in more than one year, are reflected at the present value of estimated future cash flows. All unconditional promises to give are expected to be collected in one year or less and are reported at net realizable value, which approximates fair value. Management believes all promises to give are fully collectible; therefore, a provision for uncollectible accounts has not been established.

---

**CASA/PRINCE GEORGE'S COUNTY, INC.**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

---

**NOTE 1**      **Summary of Significant Accounting Policies (continued)**

**Property and equipment** - Property and equipment consists of office equipment and leasehold improvements, and is carried at cost or, if donated, at the approximate fair value at the date of donation. Acquisitions of property and equipment in excess of \$5,000 are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of 5 - 7 years.

**Support and revenue** - CASA recognizes contributions when cash, securities or other assets, or an unconditional promise to give is received. Unconditional contributions received are recorded as without donor restrictions, or with donor restrictions, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions, if the restriction expires in the reporting period in which support is recognized. All other donor-restricted contributions are reported as an increase in net assets with donor restrictions. 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. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return of transferred assets or right of release of a promisor's obligation to transfer assets – are not recognized until conditions on which they depend have been met.

A portion of CASA's revenue is derived from cost-reimbursable state and local government grants, which are conditioned upon certain performance requirements and/or incurrence of allowable qualifying expenses. Amounts awarded are recognized as revenue when CASA has incurred expenditures in compliance with specific grant provisions. Disbursements received prior to incurring qualifying expenditures are reported as deferred revenue in the statements of financial position. CASA has been awarded cost-reimbursable grants totaling \$388,238 and \$271,914 at June 30, 2020 and 2019, respectively, that have not been recognized in the statements of activities because qualifying expenditures had not yet been incurred.

CASA may receive goods, labor, and services without payment or compensation. Significant donated goods are recorded at fair value on the date of donation. When the value of services meets recognition criteria, it is reflected in the accompanying financial statements. The criteria for recognition require that services rendered (a) create or enhance a nonfinancial asset or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Rental income is recognized ratably over the life of the lease as the performance obligations are satisfied. All other revenue is recognized, and performance obligations are typically satisfied, when the event or service has occurred.

**Functional allocation of expenses** - The costs of providing the various programs and supporting services have been reported on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include depreciation, employee benefits, equipment, office supplies/postage, payroll taxes, rent, salaries, technology, and telephone, which are allocated based on estimates of time and effort.

**Income taxes** - CASA is a nonprofit organization and is exempt from the payment of taxes on income other than net unrelated business income under Section 501(c)(3) of the Internal Revenue code. No provision for income taxes is required for the years ended June 30, 2020 and 2019, as CASA had no significant unrelated business income.

**CASA/PRINCE GEORGE'S COUNTY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

**NOTE 1**      **Summary of Significant Accounting Policies (continued)**

**Recent accounting pronouncements adopted** - CASA has adopted Accounting Standards Update (ASU) No. 2014-09 - *Revenue from Contracts with Customers (Topic 606)*, as amended. The ASU supersedes or replaces nearly all GAAP revenue recognition guidance. Analysis of various provisions of this standard, using the modified retrospective approach, resulted in no adjustments to the opening net asset balances.

CASA has adopted ASU No. 2018-08 *Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made (Subtopic 958-605)*. The standard assists entities in evaluating whether a transaction should be accounted for as a contribution or exchange transaction. Analysis of various provisions of this standard, using the modified retrospective approach, resulted in no adjustments to the opening net asset balance.

**NOTE 2**      **Availability and Liquidity**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following at June 30, 2020 and 2019:

	2020	2019
Cash and cash equivalents	\$ 513,745	\$ 321,740
Promises to give	107,921	100,788
Grants receivable	37,500	75,000
Total financial assets	659,166	497,528
Less those unavailable for general expenditure within one year, due to:		
Restricted by donor with purpose restrictions	(29,560)	(17,506)
Less board designated funds	(95,155)	(69,961)
Financial assets available to meet cash needs for general expenditures within one year	\$ 534,451	\$ 410,061

As part of the liquidity management plan, CASA invests cash, in excess of daily requirements, in an interest-bearing money market account.

**NOTE 3**      **Line of Credit**

CASA has a line of credit with a maximum amount available for borrowing of \$25,000. Interest payments on the line are due monthly at the Wall Street Journal Prime Rate plus 2%, 5.25% and 7.5%, as of June 30, 2020 and 2019, respectively. The line is due on demand and is secured by substantially all of CASA's assets. As of June 30, 2020 and 2019, CASA did not have an outstanding balance on the line. There was no interest expense paid on the line for the years ended June 30, 2020 and 2019.

**CASA/PRINCE GEORGE'S COUNTY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

**NOTE 4**      **Loan Payable**

On April 25, 2020, CASA was granted a loan in the amount of \$120,700 pursuant to the Paycheck Protection Program (PPP), which was established as part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), enacted March 27, 2020. The loan matures on April 25, 2022 and bears interest at a rate of 1% per year. CASA is required to submit a request for forgiveness within 10 months after the end of the covered period. Any amounts not forgiven will be fully re-amortized over the remaining term of the loan.

**NOTE 5**      **Board Designated Net Assets Without Donor Restrictions**

Board designated net assets without donor restrictions consisted of operating reserves totaling \$95,155 and \$69,961 as of June 30, 2020 and 2019, respectively.

**NOTE 6**      **Net Assets with Donor Restrictions**

Net assets with donor restrictions that are temporary in nature consisted of the following at June 30, 2020 and 2019:

	2020	2019
Foster youth workforce development	\$ -	\$ 9,162
General operations - time restricted	38,251	60,000
Independence and stable housing	-	5,000
Special event	-	2,000
Salaries	20,000	-
Transitioning youth	8,392	176
Youth equality project	1,168	1,168
	\$ 67,811	\$ 77,506

**NOTE 7**      **Rental Income**

Rental income is derived from leasing a portion of CASA's leased office facilities [see Note 9] to an unrelated organization in six-month increments under short-term lease obligations ending July 31, 2021. For the years ended June 30, 2020 and 2019, revenue associated with the lease was \$740 per month, totaling \$8,880 and \$2,220, respectively. Effective February 1, 2021, rent is reduced to \$350 per month. Future minimum rents to be received for the years ending June 30 are as follows:

2021	\$ 6,930
2022	350
Total	\$ 7,280

**NOTE 8**      **Concentration of Credit Risk**

At various times during the year, CASA may maintain cash balances with one financial institution in excess of the federally insured limit of \$250,000. Uninsured deposits exceeded federally insured limits by \$276,749 and \$70,809 as of June 30, 2020 and 2019, respectively.

---

**CASA/PRINCE GEORGE'S COUNTY, INC.**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

---

**NOTE 9**      **Commitments and Contingencies**

On January 23, 2014, CASA leased office facilities under a non-cancelable, 65-month operating lease ending July 31, 2019. Effective September 1, 2018, the lease was amended to expand office space and extend the lease term for an additional period of seven years through July 31, 2026. For the years ended June 30, 2020 and 2019, rent expense was \$55,850 and \$38,034, respectively. Future minimum lease payments for the years ended June 30 are as follows:

2021	\$	56,472
2022		58,644
2023		60,816
2024		62,976
2025		65,160
Thereafter		73,124
Total	<u>\$</u>	<u>377,192</u>

CASA also leases office equipment under a 60-month non-cancelable operating lease ending June 30, 2022. Future minimum lease payments for the years ending June 30 are as follows:

2021	\$	1,824
2022		1,824
Total	<u>\$</u>	<u>3,648</u>

As a result of the spread of the Coronavirus Disease 2019 (COVID-19), economic uncertainties have arisen which are likely to negatively impact operations. While the disruption is currently expected to be temporary, there is considerable uncertainty around duration. Management is not able to reasonably estimate and determine the financial impact at this time.

**NOTE 10**      **Donated Services**

A substantial number of volunteers who serve as court appointed special advocates have donated significant amounts of their time for CASA's program. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition.

**NOTE 11**      **Recent Accounting Pronouncements Not Yet Adopted**

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)* to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements for lessees and lessors. The new standard applies a right-of-use (ROU) model that requires, for all leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset for the lease term and a liability to make lease payments to be recorded. The ASU is effective for CASA's fiscal years beginning after December 15, 2021, with early application permitted. Management is currently evaluating the impact of this ASU on its financial statements.

**NOTE 12**      **Subsequent Events**

Management has evaluated its June 30, 2020 financial statements for subsequent events through March 8, 2021, the date the audited financial statements were available to be issued. Management is not aware of any subsequent events which would require recognition or disclosure in the financial statements.