



CASA OF THE PIKES PEAK REGION, INC.

FINANCIAL STATEMENTS

WITH

INDEPENDENT AUDITORS' REPORT

JUNE 30, 2020

OSBORNE, PARSONS & ROSACKER, LLP
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

Board of Directors
CASA of the Pikes Peak Region, Inc.
Colorado Springs, Colorado

We have audited the accompanying financial statements of CASA of the Pikes Peak Region, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expense, and cash flows for the year 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 audit. We conducted our audit 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.

INDEPENDENT AUDITORS' REPORT-CONTINUED

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CASA of the Pikes Peak Region, Inc. as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Report on Summarized Comparative Information

We have previously audited the Organization's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 2, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Osborne, Parsons & Associates LLP

Colorado Springs, Colorado
January 4, 2021

CASA OF THE PIKES PEAK REGION, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2020
With Comparative Totals for 2019

ASSETS

	2020	2019
Current Assets		
Cash and Cash Equivalents	\$ 995,069	\$ 538,457
Grants Receivable	126,511	171,684
Promises to Give, Net	118,564	301,574
Accounts Receivable	269	-
Prepaid Expenses	19,812	10,361
Total Current Assets	<u>1,260,225</u>	<u>1,022,076</u>
Noncurrent Assets		
Investments	522,115	611,659
Promises to Give, Net	15,905	24,912
Property and Equipment, net	<u>1,239,170</u>	<u>1,285,109</u>
Total Assets	<u><u>\$ 3,037,415</u></u>	<u><u>\$ 2,943,756</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts Payable	\$ 10,582	\$ 19,535
Accrued Liabilities	84,924	86,506
Refundable Advance	<u>100,611</u>	<u>-</u>
Total Current Liabilities	<u>196,117</u>	<u>106,041</u>
Non-Current Liabilities		
Refundable Advance	<u>154,789</u>	<u>-</u>
Total Liabilities	<u>350,906</u>	<u>-</u>
Net Assets		
Without Donor Restrictions		
Available for Operations	2,179,671	2,035,625
Board Designated for Endowment	<u>49,907</u>	<u>54,635</u>
Total Net Assets Without Donor Restrictions	<u>2,229,578</u>	<u>2,090,260</u>
With Donor Restrictions	<u>456,931</u>	<u>747,455</u>
Total Net Assets	<u>2,686,509</u>	<u>2,837,715</u>
Total Liabilities and Net Assets	<u><u>\$ 3,037,415</u></u>	<u><u>\$ 2,943,756</u></u>

See Notes to Financial Statements

CASA OF THE PIKES PEAK REGION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020
With Comparative Totals for 2019

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2020	2019
Public Support and Revenue				
Public Support				
Contributions and Private Grants	\$ 643,332	\$ 40,305	\$ 683,637	\$ 520,262
Gifts in Kind	2,795	-	2,795	11,055
Government Grants	536,982	-	536,982	452,046
Light of Hope Event	194,602	-	194,602	367,471
Circle of Impact Events	58,300	-	58,300	89,234
Mail Appeal	46,047	-	46,047	47,520
Every Child	-	-	-	723,326
Give 5 Event	9,703	-	9,703	-
Total Public Support	<u>1,491,761</u>	<u>40,305</u>	<u>1,532,066</u>	<u>2,210,914</u>
Revenue				
Program Service Fees	187,350	-	187,350	205,032
Investment Loss	(37,405)	-	(37,405)	(7,728)
Total Revenue	<u>149,945</u>	<u>-</u>	<u>149,945</u>	<u>197,304</u>
Net Assets Released from Restrictions	<u>330,829</u>	<u>(330,829)</u>	<u>-</u>	<u>-</u>
Total Public Support and Revenue	<u>1,972,535</u>	<u>(290,524)</u>	<u>1,682,011</u>	<u>2,408,218</u>
Expenses				
Program Services				
Children's Advocacy Program	<u>1,548,599</u>	<u>-</u>	<u>1,548,599</u>	<u>1,510,227</u>
Supporting Services				
Fundraising	179,665	-	179,665	232,637
General and Administration	85,099	-	85,099	140,019
Total Supporting Services	<u>264,764</u>	<u>-</u>	<u>264,764</u>	<u>372,656</u>
Bad Debts on Pledges	19,854	-	19,854	19,832
Total Expenses	<u>1,833,217</u>	<u>-</u>	<u>1,833,217</u>	<u>1,902,715</u>
Change in Net Assets	139,318	(290,524)	(151,206)	505,503
Beginning Net Assets	<u>2,090,260</u>	<u>747,455</u>	<u>2,837,715</u>	<u>2,332,212</u>
Ending Net Assets	<u>\$ 2,229,578</u>	<u>\$ 456,931</u>	<u>\$ 2,686,509</u>	<u>\$ 2,837,715</u>

See Notes to Financial Statements

CASA OF THE PIKES PEAK REGION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2020
With Comparative Totals for 2019

	Program Services	Supporting Services		Totals	
		General and Administrative	Fundraising	2020	2019
Salaries and Related Costs	\$ 1,209,877	\$ 70,342	\$ 126,615	\$ 1,406,834	\$ 1,370,988
Professional Fees	46,223	2,687	4,837	53,747	66,962
Occupancy	71,233	4,142	7,455	82,830	84,218
Volunteer Support and Training	20,231	-	-	20,231	25,034
Fall Campaign and Mail Appeals	-	-	26,488	26,488	67,780
Depreciation	39,507	2,297	4,135	45,939	51,222
Equipment Repairs/Maintenance	32,247	1,875	3,375	37,497	48,202
Insurance	16,014	931	1,676	18,621	20,035
Milton Foster Children's Fund	16,791	-	-	16,791	22,030
Office Supplies	17,344	1,008	1,815	20,167	18,323
Bank Charges	8,226	478	861	9,565	10,160
Dues and Publications	7,652	-	-	7,652	11,213
Licenses and Fees	11,986	697	1,254	13,937	11,711
Postage and Printing	2,007	117	210	2,334	5,271
Interest Expense	-	-	-	-	2,218
Travel	4,489	-	-	4,489	4,296
Business Meetings	2,629	153	275	3,057	3,793
Communications with Donors	33,113	-	-	33,113	30,832
Gifts and Memorials	2,193	128	230	2,551	2,495
Staff Recruitment and Training	2,988	174	313	3,475	6,110
Supplies	-	-	-	-	8,935
Other	1,250	-	-	1,250	-
In-kind Expenses	2,599	70	126	2,795	11,055
Total Expenses - 2020	\$ 1,548,599	\$ 85,099	\$ 179,665	\$ 1,813,363	
Percentage Total Expenses - 2020	85%	5%	10%	100%	
Total Expenses - 2019	\$ 1,510,227	\$ 140,019	\$ 232,637		\$ 1,882,883
Percentage Total Expenses - 2019	80%	8%	12%		100%

See Notes to Financial Statements

CASA OF THE PIKES PEAK REGION, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2020
With Comparative Totals for 2019

	<u>2020</u>	<u>2019</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ (151,206)	\$ 505,503
Adjustments to Arrive at Net Cash Flow from Operating Activities		
Depreciation	45,939	51,222
Allowance Bad Debts	19,854	19,832
Net Unrealized and Realized Losses on Investments	56,953	30,420
Changes in		
Grants Receivable	45,173	(144,226)
Promises to Give, net	172,163	6,173
Accounts Receivable	(269)	2,809
Prepaid Expenses	(9,451)	5,589
Accounts Payable	(8,953)	(3,799)
Accrued Liabilities	(1,582)	21,347
Deferred Revenue	-	(100)
Net Cash Flow Provided by Operating Activities	<u>168,621</u>	<u>494,770</u>
Cash Flows from Investing Activities		
Purchase of Investments	(487,224)	(87,284)
Proceeds from Sale of Investments	519,815	57,316
Net Cash Flow Provided (Used) by Investing Activities	<u>32,591</u>	<u>(29,968)</u>
Cash Flows from Financing Activities		
Principal Payments on Notes Payable	-	(400,000)
Proceeds from Refundable Advance	255,400	-
Net Cash Flow Provided (Used) by Financing Activities	<u>255,400</u>	<u>(400,000)</u>
Change in Cash and Cash Equivalents	456,612	64,802
Beginning Cash and Cash Equivalents	<u>538,457</u>	<u>473,655</u>
Ending Cash and Cash Equivalents	<u><u>\$ 995,069</u></u>	<u><u>\$ 538,457</u></u>

See Notes to Financial Statements

CASA OF THE PIKES PEAK REGION, INC.
NOTES TO FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significance accounting policies of CASA of the Pikes Peak Region, Inc. (Organization) is presented to assist in understanding the financial statements.

Nature of Activities – CASA of the Pikes Peak Region, Inc. (CASA) was incorporated on October 27, 1988 as a non-profit organization that was established to help abused and neglected children in crisis who are under the care and protection of the juvenile court. As an advocate for these children, CASA works using trained, citizen volunteers appointed by the juvenile court to assure each child has a safe, permanent home as expediently as possible. The volunteers work with individual children to represent their needs and interests. CASA services are provided in El Paso and Teller Counties covering the fourth Judicial District.

Within the Dependency and Neglect program (D&N) CASA supports efforts for abused victims through the following initiatives:

Life Long Links (LLL) – LLL program conducts nationwide searches for, and interviews of, family members and other important people to ensure that foster children have continuity in relationships, information about their families and long-term connections for the future and possible permanent placements.

Fostering Futures – Fostering Futures is a curriculum developed by the national Court Appointed Special Advocate Association that focuses on improving outcomes for older and emancipating youth (14-21 years of age) served by CASA volunteers.

Peer Coordinated Model (PCM) – Peer Coordinators are experienced advocates who take on the role of coach and mentor to other Advocates, adding another level of volunteer leadership to the organization and helping CASA build capacity to serve all children in need.

CASA programs also include:

Supervised Exchange & Parenting Time (SEPT) – SEPT is a court-ordered service to protect children from witnessing high conflict parental disputes.

Children & Families in Transition (CFIT) – CFIT educates parents about the effects of divorce on children.

Milton Foster Children's Fund (MFCF) – MFCF provides foster children with opportunities not funded through existing agencies or programs allowing them to be nurtured, educated, and enriched just like other children and grow into healthy, contributing adults.

The Hanger Project, a MFCF program, is a store with used clothing and accessories for adolescents in foster care. The adolescents may select five items per month. The teens also work in the store and learn job skills. CASA offers weekend classes on life skills and jobs/career building to strengthen their opportunities as they move toward adulthood.

CASA OF THE PIKES PEAK REGION, INC.
NOTES TO FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Cash and Cash Equivalents – For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. Cash and highly liquid financial instruments held for investment purposes, regardless of original length to maturity, are reported as investments and excluded from this definition.

Investments and Investment Return – Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Investments in money market funds and mutual funds are measured at quoted prices in active markets. Net investment return consists of interest and dividend income and the realized and unrealized gains and losses on investments, less investment management, and custodial fees. Unrealized gains and losses are included in the change in net assets. Short-term investments consist of debt securities with original maturities of twelve months or less. Long-term investments consist of debt securities with original maturities greater than twelve months.

Grants Receivable – Grants receivable are stated at unpaid balances. CASA considers its grants receivable to be fully collectible as of June 30, 2020, no allowance for doubtful accounts is considered necessary.

Promises to Give – Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue. Promises to give are reported as donor restricted support that are either temporary or permanent in nature unless the donor stipulations or circumstances surrounding the pledge make clear the donor intended it to be used to support activities in the current period. Conditional promises to give are not included as support until the conditions are met.

The Organization uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management analysis of specific promises made.

Property and Equipment – The Organization capitalizes property and equipment over \$5,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment 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. The Organization reclassifies net assets with restrictions to net assets without restrictions at that time.

CASA OF THE PIKES PEAK REGION, INC.
NOTES TO FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from five to thirty years. Cost of repairs and maintenance, which do not materially prolong the useful lives of the assets, are charged to expense when incurred.

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.

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. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. 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.

Revenue and Revenue Recognition – Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Contributed Services – No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services. Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donations.

Contributions – Contributions received are recorded as with donor restrictions or without donor restrictions depending on the existence or nature of any donor restrictions.

Income Tax Status – The Organization is exempt, under Section 501(c)(3) of the Internal Revenue Code, from tax on income derived from donations, income generated by activities carried on in furtherance of its exempt purpose and certain other specified income and, in addition, is qualified to receive tax deductible contributions.

CASA OF THE PIKES PEAK REGION, INC.
NOTES TO FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Management believes that based on evaluation of its tax position, any liability as a result of uncertain tax positions would not be material. Management continually evaluates expiring statutes of limitations, changes in the tax laws, and new authoritative rulings to assist in evaluating its tax position. Accrued interest and penalties associated with uncertain tax positions, if any, would be recognized as part of the income tax position.

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expenses – The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Comparative Financial Information – The accompanying financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with the Organization's audited financial statements for the year ended June 30, 2019, from which the summarized information was derived.

New Accounting Pronouncement – On May 28, 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606). The standard prescribes a single model for revenue recognition, with a set of principles to be used for determining when revenue should be recognized. It also requires expanded disclosures about the nature, amount, and timing of revenue and cash flows. The Organization has analyzed the provisions of Topic 606 and have concluded the adoption of this new guidance will not have a material impact on the financial statements.

In June 2018, the FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958), *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This update clarifies and improves guidance for contributions received and contributions made and provides guidance to organizations on how to account for certain exchange transactions. This change is preferable in that it clarifies whether to account for transactions as contributions or as exchange transactions. In addition, it clarifies whether a contribution is conditional and, as a result, it enhances the comparability of financial information among not-for-profit entities. The change in accounting principle was adopted on a modified prospective basis. There was no cumulative-effect adjustment to opening net assets with or without donor restrictions as of July 1, 2019.

NOTE 1 – AVAILABILITY AND LIQUIDITY

The Organization has \$1,240,413 of financial assets available within one year of the balance sheet date consisting of cash of \$995,069, \$126,511 of grants receivable, promises to give of \$118,564, and accounts receivable of \$269.

CASA OF THE PIKES PEAK REGION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – AVAILABILITY AND LIQUIDITY - Continued

None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The promise to give are subject to time restrictions but will be collected within one year. The Organization has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 60 days of normal operating expenses, which are, on average, approximately \$300,000. The Organization also has access to a line of credit of \$100,000 and credit card limits of \$12,500.

NOTE 2 – PROMISES TO GIVE

Unconditional promises to give at June 30, 2020 are as follows:

Promises to Give in One Year	\$ 135,749
Promises to Give in Two to Five Years	16,700
Total Gross Promises to Give	<u>152,449</u>
Less Discount to Net Present Value	795
Less Allowance for Uncollectible Promises to Give	17,185
Net Promises to Give	<u><u>\$ 134,469</u></u>
Net Promises to Give, in One Year	\$ 118,564
Net Promises to Give, in Two to Five Years	15,905
	<u><u>\$ 134,469</u></u>

Promises to give were discounted using a 5% rate as of June 30, 2020.

NOTE 3 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

Generally accepted accounting principles establish a framework for measuring fair market value using the following levels:

Level 1 Inputs: Quoted market prices in active markets for identical assets or liabilities that are accessible at the measurement date.

Level 2 Inputs: Other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly or indirectly (e.g., quoted market prices of similar assets or liabilities in an active markets, or quoted market prices for identical or similar assets or liabilities in markets that are not active).

Level 3 Inputs: Are unobservable (e.g., an organization's own data) and should be used to measure fair value to the extent observable inputs are not available.

CASA OF THE PIKES PEAK REGION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 3 – INVESTMENTS AND FAIR VALUE MEASUREMENTS - Continued

The following are the major categories of investments measured at a fair value on a recurring basis during the ended June 30, 2020:

Description	Fair Value	Level 1	Level 2	Level 3
		Quoted Prices in Active Markets	Significant Other Observable Inputs	Significant Unobservable Inputs
Exchange Traded Funds	\$ 522,115	\$ 522,115	\$ -	\$ -
Total Investments at Fair Value	<u>\$ 522,115</u>	<u>\$ 522,115</u>	<u>\$ -</u>	<u>\$ -</u>

Investment income consisted of the following for the years ended June 30, 2020:

Interest and Dividends, Net	\$ 19,548
Realized and Unrealized Gains (Losses)	(56,953)
Net Investment Income (Loss)	<u>\$ (37,405)</u>

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30, 2020:

Building	\$ 1,132,974
Land	176,700
Equipment and Software	206,365
Total	<u>1,516,039</u>
Less Accumulated Depreciation	276,869
	<u>\$ 1,239,170</u>

Depreciation expense for June 30, 2020 was \$45,939.

NOTE 5 – LINE OF CREDIT AND REFUNDABLE ADVANCE

CASA has a \$100,000 line of credit agreement with a commercial bank. The line of credit bears interest at 2.0% over prime and automatically renews with the consent of both parties each year. At June 30, 2020 there were no outstanding borrowings under the line of credit agreement.

In April 2020, the Organization received an unsecured \$255,400 loan under the U.S. Small Business Administration's (SBA) Paycheck Protection Program (PPP) authorized under the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act). Under the program, this loan may be partially or fully forgiven if certain eligibility requirements are met. The funds are being treated as a refundable

CASA OF THE PIKES PEAK REGION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 5 – LINE OF CREDIT AND REFUNDABLE ADVANCE - Continued

advance until such time that the loan has been explicitly forgiven by the SBA. At such time that the loan is forgiven, the refundable advance will be reduced, and contributions revenue will be recognized.

In the event that the loan is not forgiven, it will be payable in eighteen monthly installments of \$14,373, including interest at 1.00% per annually. The Paycheck Protection Program Flexibility Act of 2020 extended the deferral period for the borrower payments of principal, interest, and fees on all PPP loans to the date that the SBA remits the borrower's loan forgiveness amount to the lender or if the borrower does not apply for loan forgiveness, 10 months after the end of the borrower's loan forgiveness covered period.

NOTE 6 – OPERATING LEASES

CASA has various leases for a copier and office space with varying expirations through 2024. Rent expense under these leases for the years ended June 30, 2020 was \$11,262.

As of June 30, 2020, future minimum lease payments under these operating leases are as follows:

2021	\$ 11,520
2022	9,420
2023	7,212
2024	7,212
	<u>\$ 35,364</u>

NOTE 7 – EMPLOYEE BENEFIT PLAN

CASA has a simple IRA plan for its employees in which CASA matches employee contributions up to 3% of salaries. Employer contributions amounted was \$17,300 for the year ended June 30, 2020.

NOTE 8 – RELATED PARTY TRANSACTIONS

For the year ended June 30, 2020, contributions from members of the Board of Directors were \$93,658.

NOTE 9 – NET ASSETS

Net assets with donor restrictions - endowment were as follows for year ended June 30, 2020:

	Net Assets With Donor Restrictions-Endowment		
	Temporary in Nature	Perpetual in Nature	Total
Beginning Balance	\$ 48,225	\$ 132,623	\$ 180,848
Contributions	-	6,000	6,000
Investment Income, Net of Fees	(15,224)	-	(15,224)
Ending Balance	<u>\$ 33,001</u>	<u>\$ 138,623</u>	<u>\$ 171,624</u>

CASA OF THE PIKES PEAK REGION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 9 – NET ASSETS – Continued

Net assets with donor restrictions were as follows for year ended June 30, 2020:

	Net Assets With Donor Restrictions		
	Temporary in Nature (Time)	Temporary in Nature (Program)	Total
Beginning Balance	\$ 498,170	\$ 68,437	\$ 566,607
Milton Foster Care Fund	-	34,305	34,305
Withdrawals (Released)	(257,017)	(58,588)	(315,605)
Ending Balance	<u>\$ 241,153</u>	<u>\$ 44,154</u>	<u>\$ 285,307</u>

Net assets without restrictions were as follows for year ended June 30, 2020:

	Net Assets Without Restrictions		
	Board Designated for Endowment	Undesignated	Total
Beginning Balance	\$ 54,635	\$ 2,035,625	\$ 2,090,260
Change in Net Assets	(4,728)	144,046	139,318
Ending Balance	<u>\$ 49,907</u>	<u>\$ 2,179,671</u>	<u>\$ 2,229,578</u>

NOTE 10 – ENDOWMENT

The Organization's endowment funds consist of board designated funds, and Circle of Impact funds.

CASA has updated their policy to allow income earned by the fund to be distributed to CASA's general support revenue for its programs upon the vote of a majority of the Board of Directors of CASA. In general, the permanently restricted (perpetual in nature) restricted original contributions to the fund shall not be invaded.

Interpretation of Relevant Law - The Board has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) 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, CASA classifies as net assets with donor restrictions (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 restricted in perpetuity 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 SPMIFA.

Return Objectives and Risk Parameters - CASA has adopted investment and spending policies for endowment assets that attempt to provide a funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. The endowment assets are invested

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NOTES TO FINANCIAL STATEMENTS

NOTE 10 – ENDOWMENT - Continued

to generate moderate appreciation with some focus on income while assuming a moderate level of investment risk. Strategies Employed for Achieving Objectives - To satisfy its long-term rate-of-return objectives, CASA relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

NOTE 11 - CONCENTRATIONS

CASA maintains its cash and cash equivalents in bank deposit account which at time, exceeds federally insured limits. The Organization has not experienced any loss in such counts, and CASA believes it is not exposed to any significant credit risk on its cash balances.

NOTE 12 – ALLOCATION OF FUNCTIONAL EXPENSE

The financial statements report certain categories of expense that are attributable to one or more program or supporting functions of the Organization. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits, which are allocated on the basis of estimates of time and effort.

NOTE 13 – CONTINGENCY AND UNCERTAIN EVENTS

Coronavirus (COVID-19) Pandemic

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to several other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, several states in the U.S., have declared a state of emergency.

Potential impacts to CASA include disruptions or restrictions on our ability to provide program services and impacts on fundraising events. We cannot anticipate all the ways in which health pandemics such as COVID-19 could adversely impact CASA. Although we are continuing to monitor and assess the effects of the COVID-19 pandemic on CASA, the ultimate impact of the COVID-19 outbreak or a similar health pandemic is highly uncertain and subject to change.

NOTE 14 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 4, 2021, the date on which the financial statements were available to be issued.