



CASA OF MISSOULA

**COURT APPOINTED SPECIAL ADVOCATES
OF MISSOULA, INC.**

FINANCIAL REPORT

For the Years Ended
June 30, 2022 and 2021

COURT APPOINTED SPECIAL ADVOCATES OF MISSOULA, INC.

TABLE OF CONTENTS

	<u>Page</u>
Independent Accountant's Review Report -----	1
Financial Statements	
Statements of Financial Position -----	2
Statements of Activities -----	3
Statements of Functional Expenses -----	4
Statements of Cash Flows -----	6
Notes to the Financial Statements -----	7

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
Court Appointed Special Advocates of Missoula, Inc.

We have reviewed the accompanying financial statements of Court Appointed Special Advocates of Missoula, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

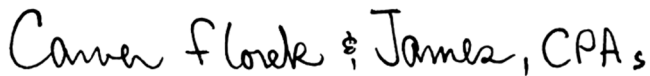
Accountant's Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Court Appointed Special Advocates of Missoula, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.



Carver Florek & James, CPAs
Missoula, Montana
October 19, 2022

**COURT APPOINTED SPECIAL ADVOCATES
OF MISSOULA, INC.
STATEMENTS OF FINANCIAL POSITION
As of June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash and cash equivalents	\$ 175,839	\$ 232,766
Certificates of deposit	-	50,435
Accounts receivable	15,937	31,370
Prepaid rent	-	900
Investments	146,031	-
Pledges receivable	<u>40,000</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 377,807</u>	<u>\$ 315,471</u>
LIABILITIES		
Accounts payable	\$ 1,948	\$ 710
Accrued payroll and payroll taxes	13,552	14,015
Unearned revenue	-	5,000
Compensated absences	<u>10,544</u>	<u>12,478</u>
TOTAL LIABILITIES	<u>26,044</u>	<u>32,203</u>
NET ASSETS		
Without donor restrictions	311,763	283,268
With donor restrictions	<u>40,000</u>	<u>-</u>
TOTAL NET ASSETS	<u>351,763</u>	<u>283,268</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 377,807</u>	<u>\$ 315,471</u>

See Accompanying Notes and Independent Accountant's Review Report.

**COURT APPOINTED SPECIAL ADVOCATES
OF MISSOULA, INC.
STATEMENTS OF ACTIVITIES
For the Years Ended June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUE AND SUPPORT		
Grants	\$ 194,016	\$ 184,082
Court Reimbursement	47,947	50,549
Special Events	92,130	79,697
Contributions	70,802	57,219
Paycheck Protection Program Income	-	37,700
Interest Income	203	538
Investment Income (Loss)	(3,969)	-
Net assets released from restrictions	<u>10,000</u>	<u>-</u>
TOTAL REVENUE AND SUPPORT	<u>411,129</u>	<u>409,785</u>
EXPENSES		
Program services	282,301	236,236
Fundraising expenses	65,074	52,733
Administrative expenses	<u>35,259</u>	<u>29,552</u>
TOTAL EXPENSES	<u>382,634</u>	<u>318,521</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	28,495	91,264
NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	50,000	-
Net assets released from restrictions	<u>(10,000)</u>	<u>-</u>
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	<u>40,000</u>	<u>-</u>
CHANGE IN TOTAL NET ASSETS	68,495	91,264
NET ASSETS		
Beginning of year	<u>283,268</u>	<u>192,004</u>
End of year	<u>\$ 351,763</u>	<u>\$ 283,268</u>

See Accompanying Notes and Independent Accountant's Review Report.

**COURT APPOINTED SPECIAL ADVOCATES
OF MISSOULA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2022**

DESCRIPTION	Program Services	Fundraising	Management & General	Total
Salaries and related expense	\$ 225,390	\$ 45,078	\$ 30,053	\$ 300,521
Office expense	26,908	6,182	3,272	36,362
Special fundraising events	-	10,159	-	10,159
Miscellaneous	8,726	2,005	1,061	11,792
Training	8,156	-	-	8,156
Travel and meals	2,386	548	290	3,224
Professional fees	3,578	822	435	4,835
Printing/reproduction	700	161	85	946
Website/internet	3,131	-	-	3,131
Merchant fees	2,807	-	-	2,807
Depreciation and amortization	-	-	-	-
Supplies	519	119	63	701
TOTAL EXPENSES	<u>\$ 282,301</u>	<u>\$ 65,074</u>	<u>\$ 35,259</u>	<u>\$ 382,634</u>

See Accompanying Notes and Independent Accountant's Review Report.

**COURT APPOINTED SPECIAL ADVOCATES
OF MISSOULA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2021**

DESCRIPTION	Program Services	Fundraising	Management & General	Total
Salaries and related expense	\$ 187,808	\$ 37,562	\$ 25,040	\$ 250,410
Office expense	25,747	5,915	3,131	34,793
Special fundraising events	-	6,647	-	6,647
Miscellaneous	5,264	1,209	641	7,114
Training	6,044	-	-	6,044
Professional fees	3,363	773	409	4,545
Printing/reproduction	2,562	589	311	3,462
Website/internet	2,950	-	-	2,950
Merchant fees	1,574	-	-	1,574
Depreciation and amortization	760	-	-	760
Supplies	164	38	20	222
TOTAL EXPENSES	\$ 236,236	\$ 52,733	\$ 29,552	\$ 318,521

See Accompanying Notes and Independent Accountant's Review Report.

**COURT APPOINTED SPECIAL ADVOCATES
OF MISSOULA, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 68,495	\$ 91,264
Adjustments to reconcile change in net assets to Net Cash Flows from Operating Activities		
Items not affecting cash:		
Amortization	-	760
Unrealized (Gain)/Loss on investments	3,969	-
Interest invested in certificate of deposit	-	(435)
Changes in operating assets and liabilities		
Change in:		
Accounts receivable	(24,567)	(16,120)
Prepaid Rent	900	(900)
Accounts payable	1,238	(1,240)
Accrued payroll and payroll taxes	(463)	8,569
Unearned revenue	(5,000)	5,000
Compensated absences	(1,934)	5,702
Net Cash Flows from Operating Activities	<u>42,638</u>	<u>92,600</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Certificates of deposit, redeemed	50,435	-
Purchase of investments	(150,000)	-
Net Cash Flows from Investing Activities	<u>(99,565)</u>	<u>-</u>
Net change in cash and cash equivalents	(56,927)	92,600
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>232,766</u>	<u>140,166</u>
End of year	<u>\$ 175,839</u>	<u>\$ 232,766</u>

See Accompanying Notes and Independent Accountant's Review Report.

**COURT APPOINTED SPECIAL ADVOCATES
OF MISSOULA, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2022 and 2021**

1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Court Appointed Special Advocates of Missoula, Inc. (CASA) is non-profit organization which provides independent, trained advocates for the best interests of children within the judicial system who are at substantial risk or have experienced abuse or neglect. CASA provides consistent, long-term advocacy until every child resides in a safe, permanent home.

Basis of Accounting

CASA's financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP) as codified by the Financial Accounting Standards Board.

Cash and Cash Equivalents

For purposes of the statement of cash flows, CASA considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Certain bank accounts subject to coverage by the Federal Deposit Insurance Corporation (FDIC) may exceed their insured limits during the year. At June 30, 2022 and 2021, no amounts exceed their insured limits.

Certificates of Deposit

CASA had two certificates of deposit at June 30, 2021, both of which were six-month certificates and matured in October 2021, with an average interest rate of 1.10%. The certificates of deposit are reported at stated principal balances and were not renewed.

Accounts Receivable

Accounts receivable represent amounts owing to CASA from the Montana Department of Justice service contract and the Montana Board of Crime Control.

CASA considers accounts receivable from contracts and grants to be fully collectible.

**COURT APPOINTED SPECIAL ADVOCATES
OF MISSOULA, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2022 and 2021**

1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Investments

CASA carries its marketable equity and debt securities at fair value. Interest and dividends are reported as increases in net assets without donor restrictions if restrictions are met in the reporting period in which the income and gains are recognized – otherwise they are reported as increases in net assets with donor restrictions on the statements of activities. Unrealized gains and losses are included in the change in net assets.

Pledges Receivable

Pledges receivable represent unconditional promises to give through written agreements to contribute cash or other assets to CASA. These promises to give are reported as contribution revenue and receivables even if the promise is not legally enforceable. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires it is reclassified to net assets without donor restrictions.

Unconditional promises to give expected to be collected within one year are measured at their net realizable value. Unconditional promises to give that are expected to be collected in future years are required by GAAP to be reported at the present value of their estimated future cash flows and discounted using a risk free rate of return on the date of the contribution. The discount is then amortized over the term of the promise to give and included in contribution revenue. No amounts have been recorded for present value discounts as the amount is not considered significant to the financial statements.

GAAP requires an allowance for uncollectible pledges be recognized in the year of contribution. CASA uses the direct write-off method to determine uncollectible promises to give by evaluating payments received to scheduled payments, which is a method other than generally accepted. When management determines it is unlikely the pledge will be fulfilled, management writes off the pledge. The difference between these two methods is not considered significant to the financial statements.

Property and Equipment

CASA capitalizes all asset purchases over \$2,500. Property and equipment are recorded at cost and depreciated using the straight-line method over the estimated useful life of each asset. Lives are five years. During 2021 the remaining property and equipment was disposed of.

**COURT APPOINTED SPECIAL ADVOCATES
OF MISSOULA, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2022 and 2021**

1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Compensated Absences

CASA provides annual leave to eligible employees. Earned vacation leave ranges from 156 hours to 200 hours per year depending on the years of service. Employees may accrue no more than 300 hours of annual leave. Annual leave is paid at the current employee's pay rate upon termination. CASA records a liability for annual leave as it is earned. The accrued liability for annual leave was \$10,544 as of June 30, 2022 and \$12,478 as of June 30, 2021.

Net Asset Classification

Net assets are classified as *without donor restrictions* in the absence of donor-imposed restrictions. This category includes net amounts that have been earned and expended according to donor and contract conditions and generally unrestricted activities.

Net assets classified as *with donor restrictions* have donor-imposed restrictions that have not been met. Such restrictions may be met by the passage of time or use for a specific purpose, or the assets may be expected to be maintained in perpetuity. At June 30, 2022 there were \$40,000 in net assets with donor restrictions and there were no net assets with donor restrictions at June 30, 2021.

Donor-restricted contributions whose restrictions are met in the same reporting period are reported as without donor restrictions. Donor restrictions that expire by either the passage of time or purpose restriction(s) being accomplished are accounted for as net assets released from restriction and reclassified as net assets without donor restrictions.

Contributed Services

CASA receives services of volunteers without compensation. These contributions are not reflected in the accompanying financial statements.

**COURT APPOINTED SPECIAL ADVOCATES
OF MISSOULA, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2022 and 2021**

1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Cost Allocation and Program Activities

CASA allocates costs to fundraising, management and general, and to program services on the basis of estimated time identifiable with such services. The primary activity groups and their related purposes are summarized as follows:

Program Services – Consists of funds utilized to provide training and support to trained advocates and costs associated with advocating for the best interest of the children within the judicial system that CASA advocates on behalf of.

Management and General – Consists of funds that are used to administer CASA.

Fundraising – Consists of funds that are used for activities and events that are designed to create public awareness and support for CASA's programs.

Marketing/Outreach

CASA expenses marketing and outreach costs as incurred. Total marketing and outreach costs for the years ended June 30, 2022 and 2021 were \$1,793 and \$53, respectively.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, disclosures of contingent assets and liabilities, and revenues and expenses. Actual results could differ from those estimates.

Income Tax Status

CASA is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been recorded in these financial statements as CASA believes it had no income unrelated to its exempt purposes in 2022 or 2021. With few exceptions, CASA's informational return (I.R.S. Form 990) is not subject to examination by tax authorities for years prior to 2019.

**COURT APPOINTED SPECIAL ADVOCATES
OF MISSOULA, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2022 and 2021**

1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Concentration of Risks

CASA is appointed to Court cases and given a flat fee by the Montana Supreme Court based on the number of children served. Case appointments are made at the discretion of the Court. Revenue from the Department of Justice was \$47,947 and \$50,549 for the year ended June 30, 2022 and 2021, respectively. This represents approximately 11% and 12% of revenue and support for the years ended June 30, 2022 and 2021, respectively. Revenue from the Montana Board of Crime Control was \$58,604 and \$78,793 for the years ended June 30, 2022 and 2021, respectively. This represents approximately 13% and 19% of revenue and support for the years ended June 30, 2022 and 2021, respectively. The revenue from the Montana Board of Crime Control is from a grant totaling approximately \$137,000 to be paid over the two years ending June 30, 2022, as qualified expenses are incurred. In addition, CASA received funding from special events and contributions of \$212,932 and \$136,916 for the years ended June 30, 2022 and 2021, respectively. This represents approximately 47% and 33% of revenue and support for the years ended June 30, 2022 and 2021, respectively.

Accounting Standards Update

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, Leases (Topic 842). This ASU provides guidance on the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under previous accounting standards and new disclosures on key information about leasing arrangements. The new standard supersedes current lease accounting requirements in FASB Accounting Standards Codification (ASC) Topic 840, Leases. When adopted, the new amendments in the ASU must be applied using a modified retrospective approach. ASU No. 2016-02 is effective for nonpublic companies for annual periods beginning after December 15, 2022. CASA is currently evaluating the impact of the provisions of ASC 842.

Reclassifications

Certain reclassifications have been made to prior-year amounts to conform to the current year presentation. These reclassifications had no impact on net assets or changes in net assets.

**COURT APPOINTED SPECIAL ADVOCATES
OF MISSOULA, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2022 and 2021**

2. INVESTMENTS

A framework for measuring fair value and defining fair value is provided by GAAP. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. GAAP requires that evaluation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. GAAP also establishes a fair value hierarchy, which prioritizes the valuation of inputs into three broad levels as described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2 – Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly.

Level 3 – Significant unobservable prices or inputs where there is little or no market activity for the asset or liability at the measurement date.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. CASA's policy for determining the timing of significant transfers between Levels 1 and 2 is at the end of the reporting period.

Marketable equity securities are stated at fair value based on quoted market prices in active markets. CASA's investment accounts hold cash or cash equivalents valued at their carrying amounts, which approximates fair value.

Amortized cost, cost, fair value, and net unrealized gain or loss of investments at June 30, 2022 is as follows:

	Cost or Amortized Cost	Fair Value	Net Unrealized Gain (Loss)
Cash held in investments	\$ 94,804	\$ 94,804	\$ -
Level 1			
Equity	35,228	32,134	(3,094)
Bonds	19,634	19,093	(541)
Total Level 1	149,666	146,031	(3,635)
Total within one year	\$ 149,666	\$ 146,031	\$ (3,635)

**COURT APPOINTED SPECIAL ADVOCATES
OF MISSOULA, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2022 and 2021**

2. INVESTMENTS (CONTINUED)

The following is a summary of investment return and classification on the statement of activities for the year ended June 30, 2022:

Interest, dividends, gains	\$	43
Unrealized gains (losses), net		(3,635)
Fees		<u>(377)</u>
Investment income (loss), net	\$	<u><u>(3,969)</u></u>

A significant portion of CASA's investments are subject to the risk of value fluctuation that is inherent in the market. As such, the value of CASA's assets may change frequently. To help management this risk, CASA's professional investment managers oversee CASA's portfolio and monitor its performance. Investment fees are reported net with investment income on the statements of activities.

3. PLEDGES RECEIVABLE

The amounts of unconditional promises to give and maturities are as follows:

<u>For the Years Ending June 30,</u>		
2023	\$	10,000
2024		10,000
2025		10,000
2026		<u>10,000</u>
	\$	<u><u>40,000</u></u>

4. LEASES

In October 2019 CASA entered into a lease agreement for office space in Missoula, Montana. The lease calls for monthly rental payments of \$875 and expires on September 30, 2021. The lease was renewed in September 2021. The lease extension calls for monthly rental payments of \$900 until August 31, 2022, \$945 until August 31, 2023, \$995 until August 31, 2024, and expires on August 31, 2024. For the years ended June 30, 2022 and 2021 CASA had rent expense of \$16,350 and \$10,600, respectively. Future minimum lease payments are \$11,250, \$11,840, and \$1,990 for the years ending June 30, 2023, 2024, and 2025, respectively.

**COURT APPOINTED SPECIAL ADVOCATES
OF MISSOULA, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2022 and 2021**

5. LIQUIDITY AND AVAILABILITY OF RESOURCES

CASA occasionally receives contributions with donor restrictions. Because a donor's or grantor's restriction requires resources to be used in a particular manner or in a future period, CASA must maintain sufficient resources to meet these responsibilities. Thus, certain financial assets may not be available for general expenditures within one year.

CASA considers contributions with donor restrictions for use in current programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. General expenditures include management and general expenses, and fundraising expense to be paid in the subsequent year. Annual operations are defined as activities occurring during CASA's fiscal year.

The table below presents financial assets available for general expenditures within one year at June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 175,839	\$ 232,766
Certificates of deposit	-	50,435
Accounts receivable	15,937	31,370
Investments	146,031	-
Pledges receivable	<u>40,000</u>	<u>-</u>
Total financial assets	337,807	314,571
Less amounts not available to be used within one year for general expenditures:	<u>(40,000)</u>	<u>-</u>
Financial assets available to meet general expenditures within one year	\$ <u><u>297,807</u></u>	\$ <u><u>314,571</u></u>

**COURT APPOINTED SPECIAL ADVOCATES
OF MISSOULA, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2022 and 2021**

6. EMPLOYEE BENEFITS

Employees of CASA may participate in a voluntary contribution 401(k) retirement plan to provide retirement benefits, effective January 1, 2021. Employee plan contributions are invested, at the direction of the participant, in one or more of the funding vehicles available under the plan. CASA contributed \$10,572 for the year ended June 30, 2022.

7. SUBSEQUENT EVENTS

Since June 30, 2022 CASA was awarded a grant from the Montana Board of Crime Control for approximately \$147,700 for the two year period ending June 30, 2024 and a juvenile justice grant of approximately \$48,000.

Management has evaluated subsequent events through October 19, 2022, the date on which the financial statements were available for issue.