

Reviewed
Financial
Statements

June 30, 2021

CASA of Berks County

CONTENTS

	PAGE
INDEPENDENT ACCOUNTANT'S REVIEW REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position	2
Statements of Activities and Changes in Net Assets	3-4
Statements of Cash Flows	5
Statements of Functional Expenses	6-7
Notes to Financial Statements	8-11



INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Directors
CASA of Berks County
Wyomissing, Pennsylvania

We have reviewed the accompanying financial statements of CASA of Berks County (a non-profit organization) which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities and changes in net assets, cash flows, and functional expenses 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 Organization 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 the 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.

Accountant's Conclusion

Based on our reviews, 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.

Smith Elliott Hearn & Company LLC

Carlisle, Pennsylvania
December 15, 2021

CASA OF BERKS COUNTY
Statements of Financial Position
June 30, 2021 and 2020

	2021	2020
ASSETS		
Current Assets		
Cash	\$ 210,977	\$ 129,809
Accounts receivable	11,048	5,609
Inventory	65	-
Prepaid expenses	353	848
Total Current Assets	<u>222,443</u>	<u>136,266</u>
Property and Equipment		
Furnishings	3,445	3,445
Less accumulated depreciation	<u>1,148</u>	<u>459</u>
Property and Equipment, Net	<u>2,297</u>	<u>2,986</u>
Other Assets		
Security deposit	425	425
Total Other Assets	<u>425</u>	<u>425</u>
TOTAL ASSETS	<u>\$ 225,165</u>	<u>\$ 139,677</u>
LIABILITIES		
Current Liabilities		
Payroll liabilities	\$ 2,522	\$ 1,482
Deferred revenue	<u>22,739</u>	<u>28,030</u>
Total Current Liabilities	<u>25,261</u>	<u>29,512</u>
TOTAL LIABILITIES	<u>25,261</u>	<u>29,512</u>
NET ASSETS		
Without donor restriction	108,166	109,057
With donor restriction	<u>91,738</u>	<u>1,108</u>
TOTAL NET ASSETS	<u>199,904</u>	<u>110,165</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 225,165</u>	<u>\$ 139,677</u>

CASA OF BERKS COUNTY
Statement of Activities and Changes in Net Assets
Year Ended June 30, 2021

	Without Donor Restriction	With Donor Restriction	Total
SUPPORT AND REVENUE			
United Way	\$ -	\$ 58,935	\$ 58,935
VOCA	64,782	-	64,782
DHS	500	-	500
Paycheck Protection Program loan forgiveness	23,400	-	23,400
Individual contributions	17,773	-	17,773
Foundation contributions	-	95,021	95,021
Special events contributions	14,383	-	14,383
Corporate contributions	7,105	2,500	9,605
Net assets released from restrictions	65,826	(65,826)	-
	<u>193,769</u>	<u>90,630</u>	<u>284,399</u>
EXPENSES			
Program services	123,303	-	123,303
Management and general	40,458	-	40,458
Fundraising	30,899	-	30,899
Total Expenses	<u>194,660</u>	<u>-</u>	<u>194,660</u>
Change in Net Assets	(891)	90,630	89,739
NET ASSETS - BEGINNING	<u>109,057</u>	<u>1,108</u>	<u>110,165</u>
NET ASSETS - ENDING	<u>\$ 108,166</u>	<u>\$ 91,738</u>	<u>\$ 199,904</u>

CASA OF BERKS COUNTY
Statement of Activities and Changes in Net Assets
Year Ended June 30, 2020

	Without Donor Restriction	With Donor Restriction	Total
SUPPORT AND REVENUE			
United Way	\$ 30,000	\$ -	\$ 30,000
VOCA	50,977	-	50,977
DHS	62,155	-	62,155
Individual contributions	3,920	-	3,920
Foundation contributions	9,000	1,108	10,108
Corporate contributions	22,376	-	22,376
Total Support and Revenue	<u>178,428</u>	<u>1,108</u>	<u>179,536</u>
EXPENSES			
Program services	125,017	-	125,017
Management and general	44,652	-	44,652
Fundraising	8,927	-	8,927
Total Expenses	<u>178,596</u>	<u>-</u>	<u>178,596</u>
Change in Net Assets	(168)	1,108	940
NET ASSETS - BEGINNING	<u>109,225</u>	<u>-</u>	<u>109,225</u>
NET ASSETS - ENDING	<u>\$ 109,057</u>	<u>\$ 1,108</u>	<u>\$ 110,165</u>

CASA OF BERKS COUNTY
Statement of Cash Flows
Year Ended June 30, 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 89,739	\$ 940
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	689	459
(Increase) decrease in:		
Inventory	(65)	-
Accounts receivable	(5,439)	9,849
Prepaid expenses	495	(848)
Increase (decrease) in:		
Payroll liabilities	1,040	(1,257)
Accounts payable	-	(3,900)
Deferred revenue	(5,291)	(35,764)
Net Cash Provided (Used) by Operating Activities	<u>81,168</u>	<u>(30,521)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	-	(3,445)
Net Cash Used by Operating Activities	<u>-</u>	<u>(3,445)</u>
Net increase (decrease) in cash and cash equivalents	81,168	(33,966)
CASH AND CASH EQUIVALENTS, BEGINNING BALANCE	<u>129,809</u>	<u>163,775</u>
CASH AND CASH EQUIVALENTS, ENDING BALANCE	<u>\$ 210,977</u>	<u>\$ 129,809</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	<u>\$ 542</u>	<u>\$ 174</u>

CASA OF BERKS COUNTY
Statement of Functional Expenses
Year Ended June 30, 2021

	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
Salaries and wages	\$ 84,409	\$ 27,697	\$ 19,783	\$ 131,889
Payroll processing fees	2,429	797	570	3,796
Office supplies	1,886	619	442	2,947
Postage	531	174	125	830
Occupancy	9,360	3,071	2,194	14,625
Dues and fees	812	266	190	1,268
Program expense	2,149	705	504	3,358
Fundraising fees	-	-	1,998	1,998
Travel	190	62	45	297
Conference	1,188	390	279	1,857
Staff training	210	69	49	328
Communication expense	1,418	465	333	2,216
IT services	5,687	1,866	1,333	8,886
Insurance expense	3,131	1,027	734	4,892
Repairs and maintenance	1,195	392	280	1,867
Interest	347	114	81	542
Depreciation expense	441	145	103	689
Advertising expense	2,221	729	520	3,470
Professional fees	5,699	1,870	1,336	8,905
	<u>\$ 123,303</u>	<u>\$ 40,458</u>	<u>\$ 30,899</u>	<u>\$ 194,660</u>

CASA OF BERKS COUNTY
Statement of Functional Expenses
Year Ended June 30, 2020

	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
Salaries and wages	\$ 71,109	\$ 25,397	\$ 5,078	\$ 101,584
Payroll processing fees	1,707	610	122	2,439
Office supplies	5,952	2,126	425	8,503
Postage	1,183	423	84	1,690
Occupancy	8,558	3,056	611	12,225
Dues and fees	1,350	482	97	1,929
Program expense	2,027	724	144	2,895
Travel	713	255	51	1,019
Conference	219	78	16	313
Staff training	5,155	1,841	368	7,364
Communication expense	1,497	535	107	2,139
IT services	5,457	1,949	390	7,796
Insurance expense	3,406	1,217	243	4,866
Interest	122	44	8	174
Depreciation expense	321	115	23	459
Advertising expense	4,484	1,601	320	6,405
Professional fees	11,757	4,199	840	16,796
	<u>\$ 125,017</u>	<u>\$ 44,652</u>	<u>\$ 8,927</u>	<u>\$ 178,596</u>

CASA OF BERKS COUNTY
Notes to Financial Statements

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

CASA of Berks County (the Organization) was formed to provide competent, responsible, and compassionate court-appointed community volunteers to advocate for each child who faces abuse, neglect, and/or abandonment; to restore their well-being and ensure the eminent right to a safe, nurturing, and permanent home.

Basis of Accounting

The Organization presents its financial statements on the accrual basis of accounting, which recognizes revenues when earned and expenses when incurred.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 and expenses during the reporting period. Actual results could differ from those estimates.

Accounts/Grants and Pledges Receivable

Accounts/grants and pledges receivable are stated at their outstanding balance. The Organization considers all accounts/grants and pledges receivable to be fully collectible and they are due within one year from the fiscal year end. If collection becomes doubtful, an allowance for doubtful account will be established or the accounts will be charged to income when that determination is made by management.

Functional Expense Classification

Expenses have been classified to functional category by management based upon prior experience and current year services. The costs of providing various programs and other activities have been summarized on a functional basis in the statement of functional expenses.

Net Assets

Net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restriction – Net assets that are not subject to donor-imposed stipulations.

Net assets with donor restriction – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time and net assets subject to donor-imposed stipulations that must be maintained permanently by the Organization.

CASA OF BERKS COUNTY
Notes to Financial Statements

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment are recorded at cost or estimated fair value on the date of purchase or donation, respectively. Depreciation is provided on a straight-line basis based upon the estimated useful lives of the assets. Expenditures for maintenance and repairs are charged to expenses as incurred. The estimated useful lives of the major components of property and equipment are as follows:

Furnishings 5 years

Total depreciation expense for the years ended June 30, 2021 and 2020 was \$ 689 and \$ 459, respectively.

Income Tax Exemption

CASA of Berks County is a nonprofit corporation organized under the provisions of the Laws of the Commonwealth of Pennsylvania. The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and is classified as a public charity.

Uncertain Tax Positions

The Organization follows generally accepted accounting principles, which provides guidance on accounting for uncertainty in income taxes recognized in an organization's financial statements. The Organization's policy is to charge penalties and interest to income tax expense as incurred. The Organization's federal and state income tax returns are subject to examination by the Internal Revenue Service and state tax authorities, generally for a period of three years after the returns are filed.

Contributions

Contributions are reported as increases in net assets with or without donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Contributions for which restrictions are met within the fiscal year are classified as net assets without donor restrictions.

Advertising Costs

The Organization expenses advertising costs as incurred. Advertising expense for the years ended June 30, 2021 and 2020 was \$ 3,470 and \$ 6,405, respectively.

Deferred Revenue

The Organization has deferred revenue from grants, future fundraisers, and the Payroll Protection Program loan. Deferred revenue at June 30, 2021 and 2020 was \$ 22,739 and \$ 28,030, respectively.

CASA OF BERKS COUNTY
Notes to Financial Statements

NOTE 2 RESTRICTIONS ON NET ASSETS

The Organization had the following net assets with donor restriction at June 30:

	2021	2020
Net assets with donor restrictions		
Subject to expenditure for specified purpose		
For programs training and recruitment activities	\$ 24,440	\$ -
To support specific programs	7,000	-
To support personnel costs	58,935	-
Purchase of specified goods	1,363	1,108
	<u>\$ 91,738</u>	<u>\$ 1,108</u>

NOTE 3 OPERATING LEASES

The Organization has entered an office lease agreement with LEMPA Financial Group, L.P. for the 3 years beginning October 15, 2019 and ending October 14, 2022. Monthly payments for this lease are as follows:

Year 1	\$ 1,200
Year 2	1,225
Year 3	1,250

Total future payments are as follows:

2021-22	\$ 14,925
2022-23	<u>3,750</u>
	<u>\$ 18,675</u>

Total office lease expenses were \$ 14,625 and \$ 12,225 for the years ended June 30, 2021 and 2020, respectively.

The Organization leases a copier through a long-term operating lease with Edwards Business Solutions. Lease expense for the year was \$ 1,394.

Total future payments are as follows at June 30, 2021:

2021-22	<u>\$ 697</u>
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CASA OF BERKS COUNTY
Notes to Financial Statements

NOTE 4 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, are comprised of the following:

Financial assets available to meet general expenditures over the next twelve months:	<u>2021</u>	<u>2020</u>
Cash	\$ 210,977	\$ 129,809
Accounts receivable	11,048	5,609
Less cash held for future donor specified expenditures	<u>(32,803)</u>	<u>(1,108)</u>
	<u>\$ 189,222</u>	<u>\$ 134,310</u>

NOTE 5 PAYCHECK PROTECTION PROGRAM

On April 17, 2020, the Organization was approved and received \$ 23,400 through the U.S. Treasury's Paycheck Protection Program (PPP), a government initiated economic stimulus program to provide loans to assist small businesses that have been impacted by closures as a result of the COVID-19 pandemic. Under the terms of the PPP, the loan will be due in two years and bears interest at 1%, with payments deferred for 6 months and interest will continue to accrue over this period. The loan may be forgiven if the loan proceeds are used to cover payroll costs, and most mortgage interest, rent, and utility costs over the 24-week period after the loan is made and employee and compensation levels are maintained. This loan was forgiven on February 19, 2021.

On March 8, 2021, the Organization was approved and received \$ 21,600 through the U.S. Treasury's second round of the Paycheck Protection Program (PPP). Under the terms of this PPP, the loan will be due in five years and bears interest at 1%, with payments deferred for 16 months after the loan proceeds are disbursed or 10 months after the last day of the loan forgiveness period and interest will continue to accrue over this period. The loan may be forgiven if the loan proceeds are used to cover payroll costs, and most mortgage interest, rent, and utility costs over the 8-week period after the loan is made and employee and compensation levels are maintained. The Organization fully expects this loan to be forgiven.

NOTE 6 CONTINGENCIES

Recent economic and government reactions to the COVID-19 pandemic have resulted in temporary reductions or shut down of operations for some businesses and created many economic uncertainties. These uncertainties include, but are not limited to, disruption of supply chains, clients and the Organization's workforce. The financial impact to the Organization, if any, and duration cannot be reasonably estimated at this time

NOTE 7 SUBSEQUENT EVENTS

CASA of Berks County has evaluated events and transactions subsequent to June 30, 2021 through December 15, 2021, the date these financial statements were available to be issued. Based on the definitions and requirements of generally accepted accounting principles, management has not identified any events that required recognition or disclosure in the financial statements.