GaryMcGee & Co. LLP
CERTIFIED PUBLIC ACCOUNTANTS

CASA for Children, Inc.

Financial Statements and Other Information
as of and for the Years Ended June 30, 2024 and 2023
and Report of Independent Accountants

CASA FOR CHILDREN, INC.

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GaryMcGee & Co. LLP
CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT ACCOUNTANTS

The Board of Directors
CASA for Children, Inc.:

Opinion

We have audited the accompanying financial statements of CASA for Children, Inc., which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CASA for Children, Inc. as of June 30, 2024 and 2023, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of CASA for Children, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CASA for Children, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 CASA for Children, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CASA for Children, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

September 20, 2024

CASA FOR CHILDREN, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2024 AND 2023

	2024	2023
Assets:		
Cash and cash equivalents	$ 697,223	1,936,591
Grants, contributions, and other receivables *(note 3)*	268,619	572,534
Investments *(note 4)*	840,134	–
Prepaid expenses and other assets	4,801	1,326
Beneficial interest in assets held by the Oregon Community Foundation *(note 5)*	241,642	227,579
Right-of-use assets – operating leases (*note 6*)	63,284	90,459
Property and equipment *(note 7)*	8,303	13,882
Total assets	$ 2,124,006	2,842,371
Liabilities:		
Accounts payable and accrued expenses	8,058	18,649
Accrued payroll and related expenses	116,852	117,562
Refundable advances	47,735	72,750
Lease liabilities – operating leases (*note 6*)	63,575	90,482
Total liabilities	236,220	299,443
Net assets:		
Without donor restrictions:		
Available for programs and general operations	458,457	1,695,223
Board-designated reserves *(note 8)*	944,590	–
Net investment in capital assets	8,303	13,882
Total without donor restrictions	1,411,350	1,709,105
With donor restrictions *(note 9)*	476,436	833,823
Total net assets	1,887,786	2,542,928
Commitments and contingencies *(notes 3, 15, and 18)*		
Total liabilities and net assets	$ 2,124,006	2,842,371

See accompanying notes to financial statements.

CASA FOR CHILDREN, INC.

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2024 AND 2023

	2024			2023		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Operating revenues, gains, and other support						
Private contributions and grants	$ 983,663	100,000	1,083,663	1,010,934	410,750	1,421,684
Legacies and bequests	–	7,086	7,086	433,553	110,952	544,505
In-kind contributions *(note 11)*	206,962	–	206,962	160,315	–	160,315
Special events, net of direct costs of $162,080 in 2024 and $116,432 in 2023	188,334	–	188,334	214,046	–	214,046
Government grants *(note 12)*	913,239	4,287	917,526	998,152	9,000	1,007,152
Interest income	39,034	–	39,034	9,732	–	9,732
Contribution from CASA of Lincoln & Tillamook Counties Inc.	–	–	–	14,107	–	14,107
Other income	6,428	–	6,428	–	–	–
Net change in the beneficial interest in assets held by the Oregon Community Foundation *(note 5)*	–	23,665	23,665	–	13,047	13,047
Total operating revenues and gains	2,337,660	135,038	2,472,698	2,840,839	543,749	3,384,588
Net assets released from restrictions *(note 13)*	417,808	(417,808)	–	132,960	(132,960)	–
Total operating revenues, gains, and other support	2,755,468	(282,770)	2,472,698	2,973,799	410,789	3,384,588
Expenses *(note 14)*:						
Program services	2,100,108	–	2,100,108	1,926,182	–	1,926,182
Management and general	476,595	–	476,595	442,658	–	442,658
Development	471,520	–	471,520	490,704	–	490,704
Total expenses	3,048,223	–	3,048,223	2,859,544	–	2,859,544
Increase (decrease) in net assets before non-operating activities	(292,755)	(282,770)	(575,525)	114,255	410,789	525,044
Non-operating activities:						
Loss on uncollectible receivables	(5,000)	(74,617)	(79,617)	–	–	–
Paycheck Protection Program loan forgiveness *(note 16)*	–	–	–	280,000	–	280,000
Total non-operating activities	(5,000)	(74,617)	(79,617)	280,000	–	280,000
Increase (decrease) in net assets	(297,755)	(357,387)	(655,142)	394,255	410,789	805,044
Net assets at beginning of year	1,709,105	833,823	2,542,928	1,314,850	423,034	1,737,884
Net assets at end of year	$ 1,411,350	476,436	1,887,786	1,709,105	833,823	2,542,928

See accompanying notes to financial statements.

CASA FOR CHILDREN, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED JUNE 30, 2024 AND 2023

	2024				2023			
		Supporting services				Supporting services		
	Program services	Management and general	Development	Total	Program services	Management and general	Development	Total
Salaries and related expenses	$ 1,744,407	362,315	237,792	2,344,514	1,597,659	322,516	322,114	2,242,289
Professional fees	83,641	47,725	73,893	205,259	68,963	37,703	33,648	140,314
Marketing and advertising	–	–	93,106	93,106	–	–	25,470	25,470
Occupancy	133,730	20,758	8,468	162,956	133,818	21,866	11,226	166,910
Telephone	13,154	9,570	1,270	23,994	12,325	11,685	2,035	26,045
Insurance	10,406	2,025	979	13,410	10,455	2,376	1,426	14,257
Equipment and maintenance	48,300	4,888	16,020	69,208	44,326	4,657	14,494	63,477
Interest and bank charges	–	4,597	5,996	10,593	–	3,207	11,352	14,559
Assistance to others	7,000	–	–	7,000	–	–	–	–
Supplies	5,523	1,075	520	7,118	3,567	775	465	4,807
Postage	223	–	1,005	1,228	457	121	1,018	1,596
Printing and publications	–	–	21,736	21,736	–	–	12,579	12,579
Public relations	–	–	7,573	7,573	–	–	51,908	51,908
Volunteer recruitment and recognition	5,927	–	–	5,927	10,798	–	–	10,798
Volunteer training	19,253	–	–	19,253	16,769	–	–	16,769
Dues and subscriptions	7,373	1,920	1,341	10,634	7,954	1,299	694	9,947
Travel	6,507	906	793	8,206	6,258	872	1,546	8,676
Professional development	3,794	11,818	77	15,689	3,172	19,193	154	22,519
Depreciation	5,579	–	–	5,579	5,039	–	–	5,039
Other expenses	5,289	9,000	951	15,240	4,622	16,388	575	21,585
Total expenses	$ 2,100,106	476,597	471,520	3,048,223	1,926,182	442,658	490,704	2,859,544

See accompanying notes to financial statements.

C A S A F O R C H I L D R E N , I N C .

STATEMENTS OF CASH FLOWS

Y E A R S E N D E D J U N E 3 0 , 2 0 2 4 A N D 2 0 2 3

	2024	2023
Cash flows from operating activities:		
Cash received from contributors and grantors	$ 1,630,547	2,175,541
Cash received from government grants and contracts, service fees, and other sources	933,853	1,047,287
Interest income	39,034	9,732
Distribution of investment return on assets held by the Oregon Community Foundation	9,602	9,266
Cash paid to employees and suppliers	(2,983,306)	(2,826,758)
Cash paid for amounts included in the measurement of operating lease liabilities	(28,964)	(14,053)
Net cash provided by (used in) operating activities	(399,234)	401,015
Cash flows from investing activities:		
Purchase of investments	(833,000)	–
Reinvestment of interest	(7,134)	–
Capital expenditures	–	(5,545)
Net cash used in investing activities	(840,134)	(5,545)
Increase (decrease) in cash and cash equivalents	(1,239,368)	395,470
Cash and cash equivalents at beginning of year	1,936,591	1,541,121
Cash and cash equivalents at end of year	$ 697,223	1,936,591

Supplemental schedule of noncash financing activities:		
Paycheck Protection Program loan forgiveness *(note 16)*	$ –	280,000
Right-of-use assets upon FASB ASU 2016-02 implementation – operating leases	–	13,348
Right-of-use assets obtained in exchange for new operating lease obligations	–	90,794

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

1. Organization

Founded in 1986, CASA for Children, Inc. (serving Multnomah, Washington, Columbia, and Tillamook counties) exists to advocate for children who have experienced abuse and/or neglect, and are in the protective custody of the court. The organization recruits, trains, and supervises volunteer Court-Appointed Special Advocates (CASAs) who become passionate protectors of the children for whom they advocate. The legislature and the courts grant CASAs unusual authority, thereby ensuring that a child is not ignored and that the judge is able to understand and act on a child's critical needs. Since the agency's founding, CASA for Children has provided 29,500+ children in foster care with the life-changing support of a CASA.

CASAs help children move through the legal system more quickly and effectively; and through their guidance, the amount of time these children are exposed to the foster care system is potentially reduced. This benefits all of us. A shorter stay in the court system means fewer re-traumatizing moves and a faster path to a permanent, safe and stable family. Children served by a CASA volunteer have more of what they need. They have caring adults attending to their development and well-being, with the results hopefully being benefits that last a lifetime.

Court-Appointed Special Advocates are specially-trained citizen volunteers who serve as advocates for a child or sibling group. In each case, a special advocate is responsible for gathering information and coordinating elements to help quickly secure a safe, permanent place to call home. CASAs visit children regularly, review records, interview parents and relatives, consult with teachers, neighbors and foster care providers, and work closely with community service providers. They also help children and families gain access to needed support and services, and appear in court to advocate on behalf of the child's needs and best interests.

Specialized training, including cultural competency and awareness training, and regular program supervision, ensure that advocates are able to bring objectivity, tenacity and consistent advocacy into an overloaded child welfare system.

2. Summary of Significant Accounting Policies

The significant accounting policies followed by the organization are described below to enhance the usefulness of the financial statements to the reader.

Basis of Accounting – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles and the principles of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting purposes in accordance with activities or objectives specified by donors.

Basis of Presentation – Net assets, revenues, gains and losses are presented based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of CASA 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-imposed stipulations. From time to time, CASA's Board of Directors may designate a portion of these net assets for particular purposes and objectives.

- *Net assets with donor restrictions* – Net assets subject to donor-imposed stipulations that will be met either by actions of CASA and/or the passage of time. These balances represent the unexpended portion of donor-restricted contributions and investment return to be used for specific programs and activities as directed by the donor. The balances also include net assets subject to donor-imposed stipulations that they be maintained permanently by CASA (e.g., endowment funds). Generally, the donors of these assets permit the organization to use all or part of the income earned on related investments for general or specific purposes.

Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are also reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor-imposed restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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. In the opinion of management, such differences, if any, would not be significant.

Cash Equivalents – For purposes of the financial statements, the organization considers all liquid investments having initial maturities of three months or less to be cash equivalents.

Investments – Investments are carried at fair value. Interest income is accrued as earned. Transactions are recorded on a trade date basis.

Capital Assets and Depreciation – Capital assets are carried at cost, and initially measured at fair value when acquired by gift. Depreciation is provided on a straight-line basis over the estimated useful lives of the respective assets, which is generally 3 to 7 years for furniture and equipment. Leasehold improvements are amortized over the life of the lease, which is generally five years.

Right of Use Assets and Lease Obligations – CASA recognizes a right-of-use asset and a lease liability, initially measured at the present value of the lease payments for operating leases not classified as short-term leases. The obligations associated with the leases are recognized as a liability based on the discounted future lease payments using the risk-free rate of return. CASA includes fixed rent, predetermined rent escalations, rent-free periods, and deferred rent as lease components. Lease expense for lease payments is recognized on a straight-line basis over the term of the lease. Some leases may require variable payments for taxes, and operating expenses which are expensed as incurred.

Contributions – Contributions, which include unconditional promises to give (pledges), are recognized as revenues in the period the donor's commitment is received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value.

Contributions and grants received with donor stipulations that limit the use of the donated assets are reported as net assets with donor restrictions.

Unconditional promises to give with payments due in future periods, are recorded as increases in net assets with donor restrictions at the estimated present value of future cash flows using credit adjusted discount rates which articulate to the collection period of the respective pledge. Such discount rates are not subsequently revised. Amortization of the discount is recorded as additional contribution revenue in subsequent years in the appropriate net asset class.

Contributions and grants receivable are reported net of an allowance for estimated uncollectible promises. Promises to give are written off when deemed uncollectible.

When a donor restriction expires, that is, when a time restriction ends or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Contributions with donor-imposed restrictions are recorded as net assets without donor restrictions if those restrictions are satisfied in the same reporting period. Otherwise, contributions with donor-imposed restrictions are recorded as increases in net assets with donor restrictions, depending on the nature of the restriction.

Contributions of capital assets without donor stipulations concerning the use of such long-lived assets are reported as revenues of the net assets without donor restrictions class. Contributions of cash or other assets restricted to the acquisition of capital assets with such donor stipulations are reported as net assets with donor restrictions; the restrictions are considered to be released at the time of acquisition of such long-lived assets.

Revenue Recognition – With regard to revenues from grants and contracts, the organization evaluates whether each transfer of assets is (1) an exchange (reciprocal) transaction in which a resource provider receives commensurate value in return for the assets transferred, or (2) a nonreciprocal transfer (a contribution or a grant), where no value is exchanged.

- *Exchange Transactions* – If the transfer of assets is determined to be an exchange transaction, the organization recognizes revenue when or as it satisfies the required performance obligations and transfers the promised good or service to a customer, and when the customer obtains control of that good or service.

- *Contributions and Grants* – If the transfer of assets is determined to be a contribution, the organization evaluates whether the contribution is conditional based upon whether the agreement includes both (1) a barrier that must be overcome to be entitled to the funds and (2) either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets.

- *Governmental Support* – Activities funded by governments are often carried out for the benefit of the general public, rather than to obtain goods or services for the government's own use or proprietary benefit. Accordingly, if the primary beneficiary of the activity is the general public, rather than the government itself, the transaction is treated as nonreciprocal (i.e., a contribution).

Benefits Provided to Donors at Special Events – The organization conducts special fundraising events in which a portion of the gross proceeds paid by the participants represents payment for the direct cost of the benefits received by participants at the event. Unless a verifiable, objective means exists to demonstrate otherwise, the fair value of meals and entertainment provided at special events is measured at the actual cost to the organization.

Concentrations of Credit Risk – The organization's financial instruments consist primarily of cash equivalents, certificates of deposit, and a beneficial interest in assets held by the Oregon Community Foundation ("OCF"), which may subject the organization to concentrations of credit risk as, from time to time, for example, cash balances may exceed amounts insured by the Federal Deposit Insurance Corporation ("FDIC").

All checking and savings accounts, money market deposit accounts, and certificates of deposit are insured by the FDIC for up to $250,000 for each depositor, for each insured bank, for each account ownership category. At June 30, 2024 and 2023, CASA held $1,302,637 and $1,686,737, respectively, in excess of FDIC insurance.

The organization's beneficial interest in assets held by OCF is subject to changes in the fair values of the underlying assets owned by OCF (from which the value of the organization's beneficial interest has been derived), and also is dependent on the value of the assets being commensurate with the value of distributions expected to be made to CASA by OCF in future years. See note 5.

Certain receivables may also, from time to time, subject the organization to concentrations of credit risk. To minimize its exposure to significant losses from customer or donor insolvencies, the organization's management evaluates the financial condition of its customers and donors, and monitors concentrations of credit risk arising from similar geographic regions, activities, or economic characteristics. When necessary, receivables are reported net of an allowance for uncollectible accounts

Outstanding Legacies – CASA is a beneficiary under various wills and trust agreements, the total realizable amounts of which are not presently determinable. The organization's share of such bequests is recorded when the probate court has declared the testamentary instrument valid and the proceeds are measurable.

Advertising and Marketing Expenses – Advertising costs are charged to expense as they are incurred.

Operating Results – Net operating results reported in the statement of activities reflect all transactions that change net assets without donor restrictions, except losses on uncollectible receivables and the forgiveness of loans.

Income Taxes – The organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law, and derives its public charity status as an organization described under Sections 170(b)(1)(A)(vi) and 509(a)(1) of the Internal Revenue Code.

Subsequent Events – Subsequent events have been evaluated by management through September 20, 2024, which is the date the financial statements were available to be issued.

Other Significant Accounting Policies – Other significant accounting policies are set forth in the financial statements and the following notes.

3. Grants, Contributions, and Other Receivables

Grants, contributions, and other unconditional receivables at June 30, 2024 and 2023, and are summarized as follows:

		2024	2023
Government grants and contracts receivable	$	37,233	47,132
Private grants receivable		172,500	324,000
Contributions receivable		43,886	198,402
Event receivables		15,000	3,000
	$	268,619	572,534

		2024	2023
Unconditional promises expected to be collected within:			
Less than one year	$	268,619	443,034
One year to five years		–	129,500
	$	268,619	572,534

At June 30, 2024, the organization held two conditional gifts totaling $98,134, which were conditioned upon incurring allowable expenses. At June 30, 2023, the organization held one conditional gift totaling $190,491, which was conditioned upon incurring allowable expenses. These awards have not been included in the accompanying financial statements because, as of June 30, 2024, the organization had not fully satisfied the associated conditions.

4. Investments

At June 30, 2024, CASA held $840,134, in certificates of deposit. Interest revenue earned on the certificates of deposits totaled $7,134 for the year ended June 30, 2024.

5. Beneficial Interest in Assets Held by the Oregon Community Foundation

The accompanying financial statements reflect a beneficial interest held by the organization in the assets of a donor-restricted endowment fund at OCF. The organization accounts for its interest in these funds using the equity method of accounting, which approximates the present value of the estimated expected future cash flow that will inure to the organization. Management's estimate of fair value is based solely upon information provided by OCF.

Changes in the organization's beneficial interest in these funds for the years ended June 30, 2024 and 2023 are summarized as follows:

		2024	2023
Balance at beginning of year	$	227,579	223,798
Net change in beneficial interest in assets held by OCF		23,665	13,047
Distribution of investment return on assets held by OCF		(9,602)	(9,266)
Balance at end of year	$	241,642	227,579

Under the terms of its agreement with OCF, OCF maintains variance power over, and legal ownership of, these funds. The funds are invested at the discretion of OCF's Board of Directors and are held in a mixture of asset classes designed to maximize return while minimizing risk. The valuations disclosed in the preceding table have been provided by OCF. CASA generally receives periodic distributions of net investment return earned on these assets (currently 4.2% of the average fair market value of the funds using a trailing 13-quarter average). During the years ended June 30, 2024 and 2023, the organization received distributions totaling $9,602 and $9,266, respectively. Additional distributions can be made at any time by the affirmative vote of a majority of the organization's Board of Directors and the approval of OCF.

6. Leases

CASA has entered into a variety of operating lease agreements for office space and equipment. These leases expire on various dates through April of 2028 with no option to renew.

At June 30, 2024, CASA's ROU assets and corresponding lease liabilities for operating leases totaled $63,284 and $63,575, respectively. At June 30, 2023, CASA's ROU assets and corresponding lease liabilities for operating leases totaled $90,549 and $90,482, respectively.

Lease expense related to these operating leases totaled $29,192 and $14,076 for the years ended June 30, 2024 and 2023, respectively. Some of the leases require variable payments for operating expenses which are expensed as incurred. Variable payments totaled $41 and $1,839 for the years ended June 30, 2024 and 2023, respectively.

As of June 30, 2024 and 2023, the weighted-average discount rate was 3.77% and 3.83%, respectively, and remaining weighted-average lease term for operating leases was 3 and 4 years, respectively.

Future Lease Payments

Operating lease payments are expected to be paid for each of the following fiscal years:

Years ending June 30,		
2025	$	27,828
2026		14,213
2027		13,899
2028		11,553
		67,493
Less present value discount		(2,918)
Total lease liability	$	63,575

CASA leases certain facilities through a lease agreement that expires on June 30, 2025. The lease is provided to the organization free of charge (excluding operating expenses), with an estimated annual value of $116,000. The lease can be terminated by either party for any reason with a minimum 90-day notice. The free use of the facility is conditioned upon the organization continuing to use the property in furtherance of the court-appointed special advocates activities of the organization. Also see note 11.

7. Property and Equipment

A summary of property and equipment as of June 30, 2024 and 2023 is as follows:

		2024	2023
Leasehold improvements	$	30,084	30,084
Furniture and equipment		127,303	134,547
		157,387	164,631
Less accumulated depreciation		(149,084)	(150,749)
	$	8,303	13,882

8. Board-Designated Reserves

As of June 30, 2024, the Board of Directors had designated $944,590 as a reserve fund. These funds act as CASA's reserves for capital investments, new projects, and emergency funding, or other expenditures as approved by the Board of Directors.

9. Net Assets with Donor Restrictions

The following summarizes CASA for Children, Inc.'s net assets with donor-imposed restrictions as of June 30, 2024 and 2023:

		2024	2023
Expendable net assets restricted for the following purposes:			
Building fund	$	28,838	28,838
Diversity, Equity & Inclusion		8,333	–
Camp for Kids		–	1,704
Future periods		197,623	575,702
Net		234,794	606,244
Endowment funds		241,642	227,579
Total net assets with donor restrictions	$	476,436	833,823

10. Endowment

As required by generally accepted accounting principles, net assets associated with endowment are classified and reported based on the existence or absence of donor-imposed restrictions.

The following summarizes the organization's endowment-related activities for the year ended June 30, 2024:

	With donor restrictions		
	Accumulated endowment return	Endowment principal	Total endowment
Endowment net assets at June 30, 2023	$ 107,685	119,894	227,579
Net increase in beneficial interest in net assets held by the Oregon Community Foundation	23,665	–	23,665
Distribution of investment return on assets held by the Oregon Community Foundation	(9,602)	–	(9,602)
Endowment net assets at June 30, 2024	$ 121,748	119,894	241,642

The following summarizes the organization's endowment-related activities for the year ended June 30, 2023:

	With donor restrictions		
	Accumulated endowment return	Endowment principal	Total endowment
Endowment net assets at June 30, 2022	$ 103,904	119,894	223,798
Net increase in beneficial interest in net assets held by the Oregon Community Foundation	13,047	–	13,047
Distribution of investment return on assets held by the Oregon Community Foundation	(9,266)	–	(9,266)
Endowment net assets at June 30, 2023	$ 107,685	119,894	227,579

Interpretation of Relevant Law – The Uniform Prudent Management of Institutional Funds Act ("UPMIFA") governs Oregon charitable institutions with respect to the management, investment and expenditure of donor-restricted endowment funds.

The Board of Directors has interpreted Oregon's adoption of UPMIFA as requiring CASA to adopt investment and spending policies that preserve the fair value of the original gift as of the date of gift, absent explicit donor stipulations to the contrary.

Although CASA has a long-term fiduciary duty to the donor (and to others) for a fund of perpetual duration, the preservation of the endowment's purchasing power is only one of several factors that are considered in managing and investing these funds. Furthermore, in accordance with UPMIFA, a portion of the endowment's original gift may be appropriated for expenditure in support of the restricted purposes of the endowment if this is consistent with a spending policy that otherwise satisfies the requisite standard of prudence under UPMIFA.

As a result of this interpretation, the organization classifies as endowment principal (1) the original value of gifts donated to the donor-restricted endowment, (2) subsequent gifts to the endowment, and (3) accumulations to the endowment made pursuant to the direction of the applicable donor gift instrument.

Net earnings (realized and unrealized) on the investment of endowment assets are classified as accumulated endowment return until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA and until expended in a manner consistent with the purpose or time restrictions, if any, imposed by the donor. Any investment return classified as endowment principal represents only those amounts required to be retained permanently as a result of explicit donor stipulations.

In the absence of donor stipulations or law to the contrary, losses or appropriations of a donor-restricted endowment reduce accumulated endowment return to the extent that donor-imposed restrictions on net appreciation of the fund have not been satisfied before the loss or appropriation occurs. Any remaining loss or appropriation reduces endowment principal.

Endowments with Deficiencies – From time to time, the fair value of assets associated with individual donor-restricted endowments may fall below the level that the donor or UPMIFA requires CASA to retain as a fund of perpetual duration. In addition, the organization's Board of Directors interprets UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law, and the organization has a policy that permits spending from underwater endowment funds depending on the degree to which the fund is underwater.

Investment and Spending Policies – In accordance with UPMIFA, the Board of Directors has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to the programs and operations supported by its endowment, while also seeking to maintain the long-term purchasing power of the endowment assets. Therefore, the Board of Directors considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the funds;
- The purposes of CASA and the fund;
- General economic conditions;
- The possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments;
- Other resources of CASA; and
- The investment policies of CASA.

Actual endowment return earned in excess of distributions under this policy is reinvested as part of CASA's endowment management and is reported as a non-operating item in the accompanying statement of activities. For years where actual endowment return is less than distributions under the policy, the short-fall is covered by realized and unrealized returns from prior years. If cumulative endowment return is exhausted, any remaining loss or appropriation reduces endowment principal. In years where the overall endowment is underwater, the Board may permit continued spending from principal only in accordance with its policies for spending from underwater endowments. See *Endowments with Deficiencies*.

During the year ended June 30, 2024, the organization's Board of Directors appropriated $9,602 of donor-restricted endowment assets ($9,266 in 2023). See note 5.

11. In-Kind Contributions

Significant services received that create or enhance a non-financial asset or require specialized skills that the organization would have purchased if not donated are recognized in the statement of activities. In addition, in-kind contributions of equipment, materials, supplies and the free use of facilities are recorded where there is an objective basis upon which to value these contributions and where the contributions are an essential part of the organization's activities.

CASA's in-kind contributions for the years ended June 30, 2024 and 2023 are summarized, including their utilization by program services or other activities, as follows:

	2024	2023
Free use of office Facilities:		
Program services	$ 90,016	86,064
Management and general	17,516	18,710
Development	8,468	11,226
	116,000	116,000
Technical support:		
Program services	9,312	8,903
Management and general	1,812	1,936
Development	876	1,161
	12,000	12,000
Professional services:		
Development	71,962	32,315
Supplies for Foster Child:		
Program services	7,000	–
	$ 206,962	160,315

Contributed free use of office facilities and technical support are used for both program and supporting services and are allocated based upon average head count by each program and supporting services.

Contributed free use of office facilities is valued and reported at the estimated fair value in the financial statements based on current rental rates for similar facilities. Contributed technical support and professional service are valued and reported at the estimated fair value based on current market rates for similar services. Contributed equipment, materials, and supplies are valued at the estimated price that would be received for selling similar products in the United States.

In addition, CASA regularly receives contributed services from a large number of volunteers who assist in program activities and other efforts through their participation in a variety of capacities. For example, during the year ended June 30, 2024, CASA benefitted from the service of more than 456 Court-Appointed Special Advocates, which represent approximately 109,440 hours of service, or the equivalent of 53 full-time employees. (In 2023, these figures were, respectively 454 CASA's, 108,960 hours of service, and the equivalent of 52 full-time employees). CASA also benefitted from the services of other volunteers representing an additional 3,500 hours of service (3,546 hours in 2023). The value of such services has not been recognized in the accompanying financial statements.

12. Government Grants

During the years ended June 30, 2024 and 2023, the organization reported government grants from the following sources as operating revenues:

	2024	2023
Washington County [1]	$ 193,191	198,731
Multnomah County [1]	400,885	409,464
Columbia County [1]	67,730	60,252
Tillamook County [1]	30,079	30,071
State of Oregon – Title IV-E	38,961	20,570
State of Oregon – VOCA	–	130,769
VOCA Replacement Fund [1]	152,393	114,295
City of Hillsboro	20,000	16,000
City of Beaverton	10,000	10,000
City of Scappoose	4,287	5,000
City of Gresham	–	4,000
City of Sherwood	–	7,500
City of St. Helens	–	500
	$ 917,526	1,007,152

[1] During the year ended June 30, 2024, and 2023, these contracts were paid through an agreement with the Oregon CASA Network.

13. Net Assets Released from Restrictions

During the years ended June 30, 2024 and 2023, the organization incurred $417,808 and $132,960, respectively, in expenses that satisfied restricted purposes specified by donors, or satisfied the restrictions by the occurrence of other events.

14. Expenses

The costs of providing the various programs and activities of CASA have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the organization and, therefore, require allocation on a reasonable basis that is consistently applied. Those expenses include salaries and wages, benefits, payroll taxes, insurance, equipment and maintenance, dues and subscriptions, and professional development, which are allocated on the basis of estimates of effort.

15. Retirement Plan

The organization sponsors an employer contributory tax-deferred annuity plan, described under Section 403(b) of the Internal Revenue Code covering. During the years ending June 30, 2024 and 2023, no contributions were made to this plan. On June 28, 2024 the 403(b) plan was terminated and all plan assets were fully distributed to participants.

The organization also sponsors a defined contribution retirement savings plan, established under Section 401(k) of the Internal Revenue Code. Employees may make voluntary contributions to the plan on a pre-tax basis up to the maximum amount allowed by law. Under the plan, the organization makes matching contributions of up to a maximum of 5.0% of the employee's eligible wages. Matching contributions fully vest after three years of service. During the years ended June 30, 2024 and 2023, the organization contributed $50,124 and $48,566, respectively, to this retirement plan.

16. Paycheck Protection Program

On April 14, 2021, CASA was granted a unsecured loan from a commercial bank in the amount of $280,000, pursuant to the PPP under the Economic Aid Act, which was enacted December 27, 2020.

In accordance with the provisions of the PPP, the organization used the loan for qualifying expenses and obtained full forgiveness of the PPP loan in July of 2022, and recognized the forgiveness on the statement of activities.

17. Fair Value Measurements

Included in the accompanying financial statements are certain financial instruments carried at fair value. The fair value of an asset is the amount at which that asset could be bought or sold in a current transaction between willing parties, that is, other than in a forced or liquidation sale; similarly, the fair value of a liability is the amount at which the liability could be transferred in a current transaction between willing parties.

Fair values are based on quoted market prices when available. When market prices are not available, fair value is generally estimated using discounted cash flow analyses, incorporating current market inputs for similar financial instruments with comparable terms and credit quality.

All financial assets and liabilities carried at fair value have been classified, for disclosure purposes, based on a hierarchy defined under generally accepted accounting principles. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities and the lowest ranking to fair values determined using methodologies and models with unobservable inputs, as follows:

- *Level 1* – Values are unadjusted quoted prices for identical assets and liabilities in active markets accessible at the measurement date.

- *Level 2* – Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Level 2 also includes units in funds which only invest in financial assets classified as Level 1, have no redemption gates or lock-up periods, and for which there have been recent transactions at the published monthly net asset value.

- *Level 3* – Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect CASA's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

At June 30, 2024 and 2023, the organization's beneficial interest in assets held by the Oregon Community Foundation is reported at fair value on a recurring basis under Level 3, representing future cash in-flows to the organization measured at fair value based upon a discounted cash flow analysis of the expected income to be derived from the organization's interest in these assets. Since the discount rate used for this analysis is considered to be identical to the return that market participants would expect on similar assets, the organization has measured the expected cash flows for its beneficial interest as equivalent to the fair value of the underlying assets held and owned by OCF. Management's estimate is based solely on information provided by OCF.

See note 5 for a summary of the beneficial interest in assets held by OCF and associated activity for the years ended June 30, 2024 and 2023.

18. Contingencies

Amount received or receivable under the organization's governmental contracts are subject to audit and adjustment by the grantor agencies. Any expenditures or claims disallowed as a result of such audits would become a liability of the organization's unrestricted net assets. In the opinion of the organization's management, any adjustments that might result from such audits would not be material to the organization's overall financial statements.

19. Liquidity and Availability of Financial Assets

Financial assets available for general expenditure within one year of the statement of financial position date comprise the following at June 30, 2024:

Total financial assets available:	
Cash and cash equivalents	$ 697,223
Grants, contracts and other receivables	268,619
Investments	840,134
Beneficial interest in assets held by OCF	241,642
	2,047,618
Less financial assets not available within the year ending June 30, 2025:	
Financial assets restricted by donors for endowment	(241,642)
	(241,642)
Plus other funds subject to appropriation for expenditure:	
Fiscal year 2025 endowment appropriations for operations	9,500
	$ 1,815,476

As part of its liquidity management, CASA has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. In addition, CASA invests cash in excess of daily requirements in short-term investments.

20. Statements of Cash Flow Reconciliation

The following presents a reconciliation of the increase (decrease) in net assets (as reported on the statement of activities) to net cash provided by (used in) operating activities (as reported on the statement of cash flows):

	2024	2023
Increase (decrease) in net assets	$ (605,142)	805,044
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used in) operating activities:		
Depreciation	5,579	5,039
Net change in beneficial interest in assets held by the Oregon Community Foundation (net of distributions of investment return of $9,602 in 2024 and $9,266 in 2023)	(14,063)	(3,781)
Amortization of ROU assets – operating leases	27,175	13,839
Loss on uncollectible receivable	79,617	–
PPP loan forgiveness	–	(280,000)
Net change in:		
Grants, contributions, and other receivables	224,298	(123,848)
Prepaid expenses and other assets	(3,475)	7,325
Accounts payable and accrued expenses	(10,591)	14,319
Accrued payroll and related expenses	(710)	(51,856)
Deferred revenues	(25,015)	28,750
Lease liabilities – operating leases	(26,907)	(13,816)
Total adjustments	255,908	(404,029)
Net cash provided by (used in) operating activities	$ (399,234)	401,015

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GOVERNING BOARD AND MANAGEMENT

JUNE 30, 2024

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Executive Committee Chair
President
NW Natural, NW Natural Holdings

Mary Turina, Vice President &
Governance Committee Chair
Business Consultant
Turina Business Consulting

Susan Collins, *Secretary*
Community Volunteer

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Washington Trust Bank

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Senior Development Director
Catholic Charites of Oregon

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Nika Jones
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Miller Nash LLP

Management

Elizabeth Stark Miller
Executive Director

Kathy Finney
Finance & Operations Director

Anna Patterson
Development & Communications Director

Kristen Lewis
Program & Legal Director

Toye Jones
HR & Equity Director

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