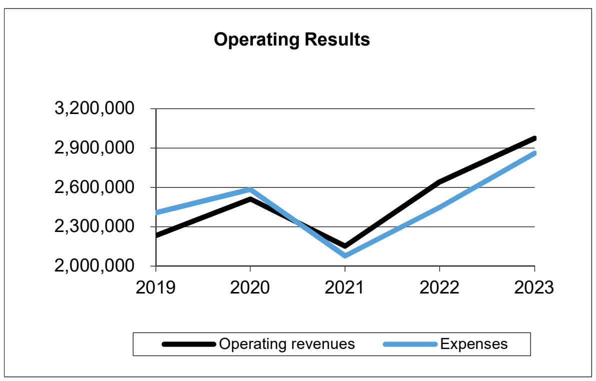
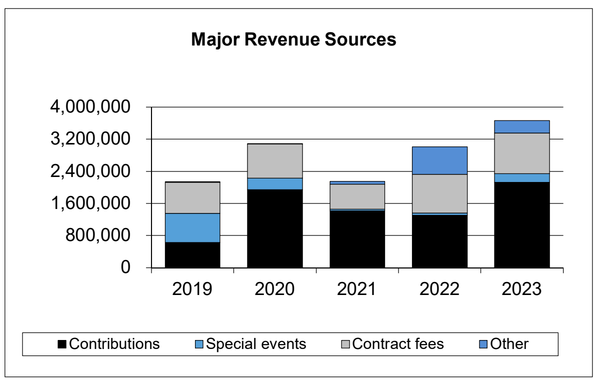
CASA for Children, Inc.

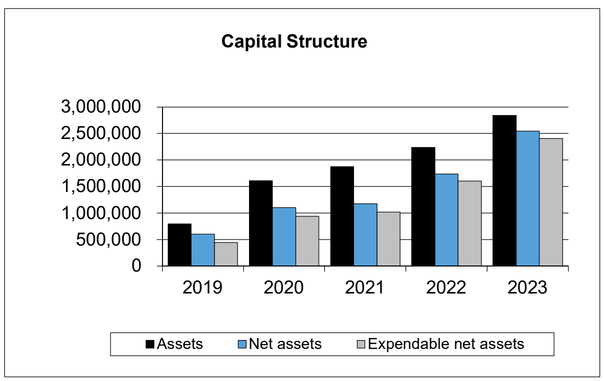
Historical Summary 2019-2023

	YEARS ENDED JUNE 30,	2019	2020	2021	2022	2023	$ change	% change
1	Total revenues [1]	2,144,194	3,086,193	2,149,300	3,011,272	**3,664,588**	+653,316	+21.7%
2	Total expenses	2,407,192	2,585,404	2,078,160	2,448,434	**2,859,544**	+411,110	+16.8%
3	Surplus (deficit)	(262,998)	500,789	71,140	562,838	**805,044**	+242,206	+43.0%
4	Operating revenues	2,233,468	2,512,465	2,153,044	2,643,419	**2,973,799**	+330,380	+12.5%
5	Operating surplus (deficit)	(173,724)	(72,939)	74,884	194,985	**114,255**	-80,730	-41.4%
6	Assets	795,503	1,609,615	1,874,410	2,235,632	**2,842,371**	+606,739	+27.1%
7	Net assets	603,117	1,103,906	1,175,046	1,737,884	**2,542,928**	+805,044	+46.3%
8	Expendable net assets	447,415	943,165	1,020,534	1,604,614	**2,409,152**	+804,538	+50.1%
9	Contributions and grants	630,899	1,946,148	1,417,006	1,301,585	**2,126,504**	+824,919	+63.4%
10	Special events, net	722,996	280,653	42,200	55,965	**214,046**	+158,081	+282.5%
11	Government grants and contract service fees	767,849	857,760	619,289	964,074	**1,007,152**	+43,078	+4.5%
12	Other revenues [1]	22,450	1,632	70,805	689,648	**316,886**	-372,762	-54.1%
13	Program service expenses	1,741,197	1,903,953	1,580,029	1,753,543	**1,926,182**	+172,639	+9.8%
14	Management and general expenses	262,769	204,257	205,741	296,484	**442,658**	+146,174	+49.3%
15	Development expenses	403,226	477,194	292,390	398,407	**490,704**	+92,297	+23.2%
16	Salaries and related costs	1,692,550	1,729,024	1,583,974	1,970,387	**2,242,289**	+271,902	+13.8%

[1] Includes $280,000 and $319,000 of PPP loan forgiveness for the year ended June 30, 2023 and 2022 respectively.







CASA for Children, Inc.

Evaluation of Key Ratios and Composite Index

	KEY RATIOS	2019	2020	2021	2022	2023	% change	3-Year Avg.
1	Primary reserve ratio	18.6%	36.5%	49.1%	65.5%	**84.2%**	+28.6%	66.3%
2	Net income ratio	-7.8%	-2.9%	3.5%	7.4%	**3.8%**	-47.9%	4.9%
3	Return on net assets	-20.1%	-12.1%	6.8%	16.6%	**6.6%**	-60.4%	10.0%
4	Composite index (scale of 1 to 10)	**-3.9**	**-0.9**	**3.8**	**6.8**	**5.3**	**-21.9%**	**5.3**

In determining the composite index, the primary reserve ratio is given a weighting of 55%, net income 15%, and return on net assets 30%. A score of 1. is ascribed to a primary reserve ratio of 13.3%, a net income ratio of 0.7%, and a return on net assets of 2.0%

	CONTRIBUTION & DEMAND RATIOS	2019	2020	2021	2022	2023	% change	3-Year Avg.
5	Contributions and grants as % of expenses	26.2%	75.3%	68.2%	53.2%	**74.4%**	+39.9%	65.2%
6	Special events as % of expenses	30.0%	10.9%	2.0%	2.3%	**7.5%**	+227.5%	3.9%
7	Gov. grants and contract fees as % of expenses	31.9%	33.2%	29.8%	39.4%	**35.2%**	-10.6%	34.8%
8	Other revenues as % of expenses	0.9%	0.1%	3.4%	28.2%	**11.1%**	-60.7%	14.2%
9	Program svc. exp. as % of operating revenues	78.0%	75.8%	73.4%	66.3%	**64.8%**	-2.4%	68.2%
10	Program svc. exp. as % of expenses	72.3%	73.6%	76.0%	71.6%	**67.4%**	-5.9%	71.7%
11	Management expenses as % of operating revenues	11.8%	8.1%	9.6%	11.2%	**14.9%**	+32.7%	11.9%
12	Development expenses as % of operating revenues	18.1%	19.0%	13.6%	15.1%	**16.5%**	+9.5%	15.1%
13	Salaries as % of operating revenues	75.8%	68.8%	73.6%	74.5%	**75.4%**	+1.2%	74.5%
14	Salaries as % of expenses	70.3%	66.9%	76.2%	80.5%	**78.4%**	-2.6%	78.4%

	OTHER PERFORMANCE INDICATORS	2019	2020	2021	2022	2023	% change	3-Year Avg.
15	Cash balances on-hand at year-end	386,199	565,851	906,481	1,541,121	**1,936,591**	+25.7%	1,461,398
16	Cash needed for daily operations [2]	6,687	7,182	5,773	6,801	**7,943**	+16.8%	6,839
17	Days of operating cash on-hand at year-end	58	79	157	227	**244**	+7.6%	209

[2] Excludes $78,983 in in-kind program legal services for the year ended June 30, 2018.

CASA for Children, Inc.

Explanation and Analysis of Key Ratios

Primary Reserve Ratio

This ratio is calculated as expendable net assets divided by total expenses. It provides a snapshot of the organization's financial strength and flexibility by indicating how long the organization could function using its expendable reserves without relying on additional net assets generated by operations.

Trend analysis of the ratio indicates whether or not the organization has increased its net assets in proportion to the rate of growth in its operating size. It is reasonable to expect expendable net assets to increase at least in proportion to the rate of growth in operating size. If they do not, the same dollar amount of expendable net assets will provide a smaller margin of protection against adversity as the organization grows in dollar level of expenses. A negative or decreasing trend over time indicates a weakening financial condition.

In general, a ratio of 40% or better is advisable to give the organization the flexibility to transform the enterprise in the near future. The implication of 40% is that the organization would have the ability to cover about five months of expenses (i.e., 40% of 12 months). Organizations with such a ratio are generally able to rely on internal cash flow to meet short-term cash needs, are able to carry on a reasonable level of facilities maintenance, and are capable of managing modest unforeseen adverse financial events. If an organization is in the process of capital expansion, a temporary decline in the ratio would be expected. A ratio below 10% or 15% indicates that the organization's expendable net asset balances are in a position that generally requires short-term borrowing on a regular basis, and that the organization tends to struggle to have sufficient resources for reinvestment.

Net Income Ratio

This ratio results from dividing operating surplus by total operating revenues. At its very simplest, the ratio indicates whether total activities in a given year resulted in a surplus or a deficit. More importantly, it demonstrates whether the organization is living within its available resources. Most organizations should target generally 2 to 4% as a goal for this ratio over an extended period of time, although the target will likely vary from year to year.

Return on Net Assets

Calculated as the change in operating net assets divided by total net assets at the beginning of the period, this ratio demonstrates whether the performance of the organization's financial assets supports its strategic direction. Because the long-term future of the organization depends, in part, on its ability to replace and enhance its capital base, managing its resource inflow streams is essential to achieving the organization's mission. The organization's Board must be wary of diversions that subvert progress toward achieving the mission.

This ratio basically determines whether the organization is financially better off than in previous years by measuring its total economic return. A decline in this ratio may be appropriate and even warranted if it reflects a strategy to better fulfill the organization's mission.

Organizations should establish a real rate of return target in the range of 3 to 4%. The real return plus the actual inflation index (e.g., the Consumer Price Index) will produce the nominal rate of return. Thus, in a period of relatively low inflation, long-term nominal returns should average approximately 6% annually to ensure reasonable growth in resources.

Again, as with any ratio, there is no one correct number. For example, if an organization's strategic plan calls for activities that will consume substantial resources, such as program expansion, a high return on net assets may be required in order to maintain a properly capitalized institution. Remember also that the organization's physical facilities are carried at book value instead of market value. On the other hand, deferred maintenance of facilities will represent an unfunded liability that is not recorded.