



PENNSYLVANIA CASA ASSOCIATION, INC.

REPORT ON FINANCIAL STATEMENTS

JUNE 30, 2024



PENNSYLVANIA CASA ASSOCIATION, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors

Pennsylvania CASA Association, Inc. (PA CASA)

Opinion

We have audited the accompanying financial statements of **PA CASA** (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year 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 **PA CASA** as of June 30, 2024, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 **PA CASA** 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, 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 **PA CASA'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.

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 **PA CASA'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 **PA CASA'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.

Report on Summarized Comparative Information

We have previously audited **PA CASA's** 2023 financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated September 28, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Bysiek CPA, PLLC

**BYSIEK CPA, PLLC
SEPTEMBER 24, 2024
OLEAN, NY 14760**

PENNSYLVANIA CASA ASSOCIATION
STATEMENTS OF FINANCIAL POSITION

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<i>As of June 30,</i>	2024	2023
Assets		
Current assets		
Cash	\$ 124,149	\$ 30,945
Pledges receivable	-	15,000
Accounts receivable	480,692	983,458
Prepaid expenses	11,287	11,724
Total assets	<u>\$ 616,128</u>	<u>\$ 1,041,126</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 339,026	\$ 706,166
Demand notes payable	203,103	275,360
Due to other agencies	25,837	24,175
Deferred revenue	63,300	-
Current portion of long-term debt	8,702	8,615
Total current liabilities	<u>639,968</u>	<u>1,014,316</u>
Loan payable, long-term portion	8,435	18,670
Total liabilities	<u>648,403</u>	<u>1,032,986</u>
Net assets (deficit)		
Without donor restrictions	(32,275)	(24,873)
With donor restrictions	-	33,014
Total net assets (deficit)	<u>(32,275)</u>	<u>8,141</u>
Total liabilities and net assets	<u>\$ 616,128</u>	<u>\$ 1,041,126</u>

See independent auditor's report and accompanying notes to the financial statements

PENNSYLVANIA CASA ASSOCIATION
STATEMENTS OF ACTIVITIES

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For the Year Ended June 30,

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Support and revenue				
Grants	\$ 1,858,982	\$ -	\$ 1,858,982	\$ 2,131,401
Contributions	20,308	-	20,308	19,227
Special events	113,603	-	113,603	28,015
Net assets released from restrictions	33,014	(33,014)	-	-
Total support and revenue	2,025,907	(33,014)	1,992,893	2,178,643
Expenses				
Program services	1,833,354	-	1,833,354	2,092,733
Management and general	153,642	-	153,642	159,356
Fundraising	46,313	-	46,313	56,439
Total expenses	2,033,309	-	2,033,309	2,308,529
Change in net assets (deficit)	(7,402)	(33,014)	(40,416)	(129,886)
Net assets (deficit), beginning of year	(24,873)	33,014	8,141	138,027
Net assets (deficit), end of year	<u>\$ (32,275)</u>	<u>\$ -</u>	<u>\$ (32,275)</u>	<u>\$ 8,141</u>

See independent auditor's report and accompanying notes to the financial statements

PENNSYLVANIA CASA ASSOCIATION
STATEMENTS OF FUNCTIONAL EXPENSES

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For the Year Ended June 30,

	2024				2023
	Program Services	Management and General	Fundraising	Total	Total
Personnel					
Salaries and wages	\$ 507,553	\$ 81,709	\$ 30,688	\$ 619,950	\$ 689,486
Payroll taxes	39,563	6,369	2,392	48,324	60,668
Employee benefits	46,510	7,487	2,812	56,809	54,465
Total personnel	593,625	95,566	35,892	725,083	804,619
Other expenses					
Grants	947,210	-	-	947,210	1,090,975
Advertising and promotion	-	-	-	-	14,686
Professional fees	104,582	16,836	6,323	127,742	146,325
Information technology	26,757	4,307	1,618	32,682	26,886
Travel and training	11,022	1,774	666	13,463	81,681
Conferences and programs	105,154	-	-	105,154	68,288
Dues and subscriptions	1,322	213	80	1,615	2,799
Insurance	10,061	1,620	608	12,289	13,713
Office expenses	4,551	733	275	5,559	14,282
Postage and printing	3,989	642	241	4,872	4,496
Repairs and maintenance	-	-	-	-	16,837
Interest	-	30,328	-	30,328	9,080
Occupancy	10,080	1,623	609	12,312	13,861
Bad debts	15,000	-	-	15,000	-
Total other expenses	1,239,728	58,076	10,421	1,308,226	1,503,910
Total expenses	<u>\$ 1,833,354</u>	<u>\$ 153,642</u>	<u>\$ 46,313</u>	<u>\$ 2,033,309</u>	<u>\$ 2,308,529</u>

See independent auditor's report and accompanying notes to the financial statements

PENNSYLVANIA CASA ASSOCIATION
STATEMENTS OF CASH FLOWS

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For the Year Ended June 30,

	2024	2023
Cash flows from operating activities		
Change in net assets (deficit)	\$ (40,416)	\$ (129,886)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Change in:		
Accounts receivable	502,766	(968,405)
Pledges receivable	15,000	5,000
Prepaid expenses	437	9,333
Accounts payable and accrued expenses	(367,140)	692,310
Due to other agencies	1,662	(7,508)
Deferred revenue	63,300	(50,457)
Net cash provided by (used in) operating activities	<u>175,609</u>	<u>(449,614)</u>
Cash flows from financing activities		
Proceeds from (payments on) line of credit	(72,257)	275,360
Payments on loan payable	(10,148)	(7,351)
Net cash provided by (used in) financing activities	<u>(82,405)</u>	<u>268,009</u>
Net change in cash	93,204	(181,605)
Cash at beginning of year	30,945	212,549
Cash at end of year	<u><u>\$ 124,149</u></u>	<u><u>\$ 30,945</u></u>

See independent auditor's report and accompanying notes to the financial statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

A. Nature of Operations

Pennsylvania CASA Association, Inc. (PA CASA) is a not-for-profit corporation established to promote awareness of Court-Appointed Special Advocates (CASA), providing administrative and fiduciary oversight of remote CASA program offices, and assisting Pennsylvania counties with start-up of new CASA programs.

B. Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Thus, revenues, grants and other contributions are recognized when the donor makes a promise-to-give, and expenses are recognized when incurred.

C. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards Codification Topic 958, *Financial Statements of Not-for-Profit Organizations*. Under Topic 958, the Organization is required to report information regarding its financial position and activities according to two classes of net assets:

1) Net Assets Without Donor Restrictions

- Net assets that are not subject to any donor-imposed time or purpose restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

2) Net Assets With Donor Restrictions

- Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the accompanying financial statements.

D. Estimates

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

E. Cash and Cash Equivalents

Cash and cash equivalents consist of unrestricted cash held in checking and money market accounts and certificates of deposits with maturities of less than 90 days. At year-end and throughout the year, the Organization's cash balances were deposited in one bank. As of June 30, 2024 and 2023, the Organization's deposits did not exceed FDIC limits.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)**F. Promises to Give**

Contributions are recognized when a donor makes a promise to give to the Organization that is unconditional. An allowance for uncollectable pledges is estimated based on management's analysis of specific promises made. If considered material to the financial statement, promises to give due in more than one year are discounted using present value techniques as prescribed by FASB ASC 820, *Fair Value Measurement and Disclosures*.

G. Accounts Receivable

Accounts receivable represent amounts due for allowable cost reimbursements under contracts and agreements with governmental agencies. Management has determined that all amounts presented in the accompanying financial statements are fully collectible and no allowance for doubtful accounts is necessary.

H. Property, Equipment, and Depreciation

The Organization capitalizes property and equipment purchases over \$1,000 that materially prolong the useful lives of assets. Donations of property and equipment are recorded as contributions at their estimated fair value at the date of the donation. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets.

I. Deferred Revenue

Deferred revenue results when receipts from exchange transactions exceed amounts earned. As of December 31, 2023 and 2022, deferred revenue total approximately \$63,000 and \$0, respectively.

J. Reclassifications

Certain accounts in the prior year have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

K. Expense Allocation (Functional Expenses)

Expenses are summarized and categorized based on their functional classification as either program or supporting services. Expenses that are readily identifiable to a specific program or supporting service are charged directly to that service. Expenses attributable to more than one program or supporting service are allocated based on estimated usage, square footage, or employment related expenses, which when not directly related to a program, are allocated based on estimates of time and effort.

L. Advertising

Advertising costs are expensed as incurred.

M. Revenue Recognition

Contributions and other support are reported as either *Without Donor Restrictions* or *With Donor Restrictions* depending on the existence and/or nature of any donor restrictions. All revenues and other support are considered to be *Without Donor Restrictions* unless specifically restricted by the donor. Revenues and other support restricted by a donor are reported under *Without Donor Restrictions* if the restriction expires in the same year in which the support is recognized. When a restriction is met, *With Donor Restrictions* net assets are reclassified to *Without Donor Restrictions* and reported as net assets released from restrictions.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)**N. Contracts with Customers***Disaggregation of revenue*

As disclosed in Note 1-A, **PA CASA** provides administrative and fiduciary oversight of remote CASA program offices and assists Pennsylvania counties with start-up of new CASA programs. The Organization's operations are dependent on funding from government grant contracts. Disaggregated revenues of the Organization are presented in the Statements of Activities.

Contract balances

Accounts receivable represent the **PA CASA's** right to receive consideration from customers for services rendered. **PA CASA** has no contract assets or liabilities as of June 30, 2024 and 2023.

Performance Obligations

The Organization's performance obligations are satisfied when services have been performed or with the transfer of goods to the customer or participant. Revenues is recognized as services are provided through-out the year. At June 30, 2024 and 2023, **PA CASA** has met the performance obligations for services rendered in accordance with FASB Accounting Standards Codification 606, *Revenue from Contracts with Customers*, and recognized the corresponding revenue in the accompanying financial statements.

Significant Judgments

There were no significant judgments affecting the determination of the amount and timing of revenue from contracts with customers during the years ended June 30, 2024 and 2023.

O. Commitments and Contingencies

PA CASA receives the majority of its funding from governmental sources. This funding is dependent on current economic conditions and budgetary decisions made at the State level. It is possible that contracts related to the Organization's programs could be terminated or reduced. Such cuts would likely have a material, adverse effect on the Organization's operating activities.

P. Income Taxes

PA CASA is exempt from income taxes under Section 501(c)3 of the Internal Revenue Code. Therefore, no provision for income taxes is reflected in the financial statements. Tax returns for the previous three years remain open for examination by taxing authorities.

Q. Liquidity Management

PA CASA regularly reviews its financial position and operations, including the liquidity required to meet general expenditures and obligations that may come due. The Organization has financial assets available for meeting such expenditures in the next fiscal year, including cash equivalents and receivables totaling approximately \$605,000. **PA CASA** also has an annually renewable line of credit with MidPenn Bank to meet short-term financing needs that allows for maximum borrowings of \$500,000. Interest is charged at an annual rate of 9.63%. There was an outstanding balance of approximately \$203,000 and \$275,000 as of June 30, 2024 and 2023, respectively.

R. Subsequent Events

The Organization has evaluated events and transactions as of the date of this report. Management expects that a combination of additional grant contracts and new funding streams will result in significant positive cash flow during the year ending June 30, 2025.

NOTE 2: ACCOUNTS RECEIVABLE

Amounts receivable from grant and program contracts as of are as follows:

	2024	2023
Pennsylvania Commission on Crime and Delinquency	\$ 468,131	\$ 978,010
Other	12,561	5,447
Total receivables	<u>\$ 480,692</u>	<u>\$ 983,458</u>

NOTE 3: DUE TO OTHER AGENCIES

PA CASA acts as a fiscal sponsor for two county-administered CASA programs that do not have 501(c)(3) status, allowing them to receive contributions in pass-through fashion. **PA CASA** accounts for the balances due to these agencies as agency fund liabilities with a separate bank account utilized to hold cash in escrow for expected future distributions.

	2024	2023
Cumberland County CASA	\$ 9,446	\$ 7,854
York County CASA	16,391	16,321
Total due to other agencies	<u>\$ 25,837</u>	<u>\$ 24,175</u>

NOTE 4: NOTES PAYABLE

PA CASA has a Paycheck Protection Program loan payable to the U.S. Small Business Administration. Terms of repayment call for annual payments of \$8,877, including interest that accrues at a rate of 1.0% per annum. Scheduled principal payments over the remaining duration of the loan term are as follows:

Year Ended	
June 30,	Amount
2025	8,702
2026	8,435
Total	<u>\$ 17,137</u>