

SOUTHEAST NEBRASKA CASA

FINANCIAL STATEMENTS

JUNE 30, 2022



**DANA F. COLE
& COMPANY^{LLP}**
CERTIFIED PUBLIC ACCOUNTANTS

SOUTHEAST NEBRASKA CASA
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Southeast Nebraska CASA
Lincoln, Nebraska

Opinion

We have audited the accompanying financial statements of Southeast Nebraska CASA (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, 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 Southeast Nebraska CASA as of June 30, 2022, and the changes in its 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 Southeast Nebraska 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 Southeast Nebraska 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 Southeast Nebraska 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 Southeast Nebraska 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.

Dana F Cole + Company, LLP

Lincoln, Nebraska
November 11, 2022

SOUTHEAST NEBRASKA CASA
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2022

ASSETS

CURRENT ASSETS	
Cash	126,526
Grants receivable	10,506
Investments	<u>178,168</u>
Total current assets	<u>315,200</u>
PROPERTY AND EQUIPMENT	
Equipment	706
Less accumulated depreciation	<u>(706)</u>
Total property and equipment	<u> </u>
TOTAL ASSETS	<u><u>315,200</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable	1,073
Payroll taxes accrued	8,300
Other expenses accrued	<u>1,402</u>
Total current liabilities	<u>10,775</u>
NET ASSETS	
Without donor restriction	
Undesignated	118,086
Board-designated	
Designated for property and equipment	141,339
Designated for restricted reserve	<u>45,000</u>
Total board-designated	<u>186,339</u>
Total net assets	<u>304,425</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>315,200</u></u>

See accompanying notes to financial statements.

SOUTHEAST NEBRASKA CASA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

REVENUES AND OTHER SUPPORT	
Contributions	36,450
Special events	7,389
Grants	240,341
Interest income	78
Net investment income (loss)	<u>(23,557)</u>
Total revenues and other support	<u>260,701</u>
EXPENSES	
Program	216,216
Management and general	69,060
Fundraising	<u>12,331</u>
Total expenses	<u>297,607</u>
CHANGE IN NET ASSETS	(36,906)
NET ASSETS, beginning of year	<u>341,331</u>
NET ASSETS, end of year	<u><u>304,425</u></u>

See accompanying notes to financial statements.

SOUTHEAST NEBRASKA CASA
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022

	Program	Management and General	Fundraising	Total
Salaries	106,624	62,197	8,885	177,706
Payroll taxes	8,070	4,708	673	13,451
Bank charges	227			227
Dues and subscriptions	3,606			3,606
Fundraising expenses			2,773	2,773
Gifts	335			335
Grant administration	37,886			37,886
Insurance	2,409			2,409
Marketing	4,405			4,405
Media	7,680			7,680
Office expense	5,609			5,609
Professional fees		2,155		2,155
Occupancy	15,525			15,525
Telephone and internet	5,116			5,116
Training	2,771			2,771
Travel	14,150			14,150
Miscellaneous	1,803			1,803
	<u>216,216</u>	<u>69,060</u>	<u>12,331</u>	<u>297,607</u>
Total expenses	<u>216,216</u>	<u>69,060</u>	<u>12,331</u>	<u>297,607</u>

See accompanying notes to financial statements.

SOUTHEAST NEBRASKA CASA
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	<u>(36,906)</u>
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Net realized losses	108
Net unrealized losses	26,820
Changes in assets and liabilities:	
(Increase) decrease in assets:	
Grants receivable	7,833
Increase (decrease) in liabilities:	
Accounts payable	(282)
Payroll taxes accrued	(5,547)
Other expenses accrued	(17,270)
Total adjustments	<u>11,662</u>
Net cash provided by operating activities	<u>(25,244)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income reinvested	<u>(3,313)</u>
Net cash used in financing activities	<u>(3,313)</u>
NET INCREASE IN CASH	(28,557)
CASH, beginning of year	<u>155,083</u>
CASH, end of year	<u><u>126,526</u></u>

See accompanying notes to financial statements.

SOUTHEAST NEBRASKA CASA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Association and Nature of Activities

The Southeast Nebraska CASA (Court Appointed Special Advocate) is a not-for-profit association (the Association), whose purpose is to provide the development, growth, and continuation of CASA programs that provide trained volunteers from the community who are appointed by a judge to advocate on a one-on-one basis for a child who has been a victim of abuse or neglect in Seward, Jefferson, Saline, Gage, or Thayer counties of Nebraska.

Basis of Accounting

The books of record are kept on the accrual basis method of accounting in conformity with accounting principles generally accepted in the United States of America. Under the accrual basis, revenue and expenses are recognized when incurred, not when received or paid.

Financial Statement Presentation

The financial statements report amounts by class of net assets, as required by ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. As such, net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and building and equipment repairs.

Net Assets With Donor Restrictions

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both, and are reported in the statements of activities as net assets released from restrictions. There were no net assets with donor restrictions as of June 30, 2022.

SOUTHEAST NEBRASKA CASA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions

The Association utilizes FASB ASC 958-605, *Not-for-Profit Entities Revenue Recognition*. This standard requires that unconditional promises to give (pledges) be recorded as receivables and revenues and requires the Association to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Contributed Materials and Services

The Association records various types of in-kind contributions. Contributed services are recognized at fair market value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair market value when received. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses or additions to property and equipment.

Volunteers

Many individuals volunteer their time and perform a variety of tasks that assist the Association with its operations. The volunteer hours have not been recorded in the financial statements since those services do not meet the criteria for recognition.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Association considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents. At June 30, 2022, the Association had no cash equivalents.

Investments

The Association has adopted FASB ASC 958-320, *Not-for-Profit Entities, Investments - Debt and Equity Securities*. FASB ASC 958-320 establishes standards of reporting at fair value certain investments and debt and equity securities held by not-for-profit organizations.

Therefore, investments in equity securities that have a readily determinable fair value and all investments in debt securities are stated at fair value, with gains and losses included in the statements of activities. Fair value is determined by quoted market values.

SOUTHEAST NEBRASKA CASA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable

Accounts receivable arise in the normal course of operations and are not secured. The receivables are reviewed annually and any doubtful accounts are written off; thus, all receivables at June 30, 2022, are deemed collectible.

Property and Equipment

Property and equipment are stated at cost, if purchased, or fair value, if donated. Major expenditures for property and those which substantially increase useful lives are capitalized. Maintenance, repairs, and minor renewals are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in income.

Depreciation

The Association provides for depreciation of property and equipment using annual rates which are sufficient to amortize the cost of depreciable assets using the straight-line method over their estimated useful lives, which range from 3 - 10 years.

Income Taxes

The Association is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Association's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Association qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an Association other than a private foundation under Section 509(a)(2).

The Association has adopted the provisions of FASB ASC 740-10, *Accounting for Uncertain Tax Positions*. The Association continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law, and new authoritative rulings.

Compensated Absences

Employees' vacation benefits are recognized in the period earned.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America 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. Accordingly, actual results could differ from those estimates.

SOUTHEAST NEBRASKA CASA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Expenses

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

NOTE 2 CONCENTRATION OF CREDIT RISK

The Association maintains cash balances in a financial institution that is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2022, the Association's cash balances were fully insured.

Financial instruments which potentially subject the Association to concentrations of credit risk consist principally of grants receivable from several grantors. Such credit risk is considered by the Association to be limited due to commitment of the grantor, their financial resources, and their support of the program for which the grant is intended. As of June 30, 2022, the Association had no significant concentrations of credit risk.

NOTE 3 INVESTMENTS AND FAIR VALUE MEASUREMENTS

Funds held by the Southeast Nebraska CASA, are invested under an investment policy established by the Board of Directors.

FASB ASC 820-10, *Fair Value Measurements*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Association uses various methods including market, income, and cost approaches.

Based on these approaches, the Association often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market-corroborated, or generally unobservable inputs. The Association utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Association is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values.

Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 - Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes U.S. Treasury and federal agency securities and federal agency mortgage-backed securities, which are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

SOUTHEAST NEBRASKA CASA
NOTES TO FINANCIAL STATEMENTS

NOTE 3 INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

Level 2 - Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Level 3 - Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models, and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

For the fiscal year ended June 30, 2022, the application of valuation techniques applied to similar assets has been consistent. The following is a description of the valuation methodologies used for instruments measured at fair value:

Marketable Equity Securities

The fair value of marketable equity securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers. If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs due to the limited market activity of the instrument.

Fair Value on a Recurring Basis

The table below presents the balances of assets measured at June 30, 2022, at fair value on a recurring basis.

	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	5,471	5,471		
Fixed income				
US fixed income	106,489	106,489		
Short term bond	7,350	7,350		
Equity				
Large blend	19,231	19,231		
Large growth	17,335	17,335		
Mid value	5,033	5,033		
Small growth	10,289	10,289		
International	6,970	6,970		
	<u>178,168</u>	<u>178,168</u>		

SOUTHEAST NEBRASKA CASA
NOTES TO FINANCIAL STATEMENTS

NOTE 3 INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

Fair Value on a Recurring Basis (Continued)

The carrying amounts, market values, unrealized gains, and unrealized losses of the investments at June 30, 2022, are as follows:

	Total Cost	Unrealized Gains (Losses)	Estimated Fair Value
Cash and cash equivalents	5,471		5,471
Fixed income			
US fixed income	124,296	(17,807)	106,489
Short term bond	8,271	(921)	7,350
Equity			
Large blend	21,026	(1,795)	19,231
Large growth	17,374	(39)	17,335
Mid value	5,235	(202)	5,033
Small growth	12,360	(2,071)	10,289
International	<u>9,011</u>	<u>(2,041)</u>	<u>6,970</u>
	<u>203,044</u>	<u>(24,876)</u>	<u>178,168</u>

The following schedule summarized the investment return and its classification in the statement of activities for the years ended June 30, 2022.

Interest and dividends	5,516
Administrative fees	(2,145)
Realized gain on investments	(108)
Unrealized gain on investments	<u>(26,820)</u>
Investment income	<u>(23,557)</u>

NOTE 4 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash	126,526
Grants receivable	<u>10,506</u>
Total financial assets available within one year	<u>137,032</u>

SOUTHEAST NEBRASKA CASA
NOTES TO FINANCIAL STATEMENTS

NOTE 5. DESIGNATED NET ASSETS

The Board of Directors has designated net assets as of June 30, 2022, of \$141,339 and \$45,000, for building and equipment repairs and an operating reserve, respectively.

NOTE 6. SUBSEQUENT EVENT

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through November 11, 2022, the date the financial statements were available to be issued.