

CASA OF OKLAHOMA COUNTY, INC.

FINANCIAL STATEMENTS

**AS OF AND FOR THE YEARS ENDED
JUNE 30, 2025 AND 2024**

**TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT**

**HSPG
&
ASSOCIATES**

ACCOUNTING | TAX | ADVISORY

CASA OF OKLAHOMA COUNTY, INC.
Table of Contents
June 30, 2025 and 2024

AUDITED FINANCIAL STATEMENTS

Independent Auditor’s Report..... 1-2

Financial Statements:

Statements of Financial Position..... 3
Statements of Activities4-5
Statements of Functional Expenses.....6-7
Statements of Cash Flows 8
Notes to Financial Statements.....9-15



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
CASA of Oklahoma County, Inc.
Oklahoma City, Oklahoma

Opinion

We have audited the accompanying financial statements of CASA of Oklahoma County, Inc., (“CASA” or the “Organization”) (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, 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 as of June 30, 2025 and 2024, 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 of America.

Basis for Opinion

We conducted our audits 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 CASA and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 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 the Organization’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 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 the Organization'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 the Organization'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.

HSPG & Associates, P.C.

October 2, 2025

CASA OF OKLAHOMA COUNTY, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash and cash equivalents	\$ 913,140	\$ 877,991
Certificate of deposit	436,844	416,827
Grants receivable	186,893	144,413
Prepaid expenses and other assets	22,517	12,641
Property and equipment:		
Building	2,115,000	2,115,000
Furniture and equipment	242,478	243,534
Leased assets - financing leases	44,727	44,727
	<u>2,402,205</u>	<u>2,403,261</u>
Less accumulated depreciation and amortization	424,258	319,226
	<u>1,977,947</u>	<u>2,084,035</u>
Funds held by community foundations	198,770	187,569
TOTAL ASSETS	<u><u>\$ 3,736,111</u></u>	<u><u>\$ 3,723,476</u></u>
LIABILITIES AND NET ASSETS		
Accounts payable	\$ 11,818	\$ 24,269
Accrued compensated absences	12,937	9,313
Financing lease obligations	16,152	26,204
TOTAL LIABILITIES	<u>40,907</u>	<u>59,786</u>
NET ASSETS		
Without donor restrictions:		
Undesignated	1,292,947	1,170,484
Board designated endowment	198,770	187,569
Property and equipment, net any associated liabilities	1,961,795	2,057,831
Total net assets without donor restrictions	<u>3,453,512</u>	<u>3,415,884</u>
With donor restrictions	241,692	247,806
TOTAL NET ASSETS	<u>3,695,204</u>	<u>3,663,690</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 3,736,111</u></u>	<u><u>\$ 3,723,476</u></u>

The accompanying notes are an integral part of these financial statements.

CASA OF OKLAHOMA COUNTY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025 (with comparative totals for June 30, 2024)

	2025			2024
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUES AND SUPPORT				
Contributions	\$ 499,861	\$ -	\$ 499,861	\$ 602,587
Grants and contracts	373,446	124,000	497,446	525,290
Special events	394,612	-	394,612	410,482
Investment income	52,508	-	52,508	56,004
Rent income	48,767	-	48,767	28,345
Other Income	20,054	-	20,054	16,497
In-kind donations:				
Volunteer services	254,720	-	254,720	265,096
Building	-	-	-	2,040,000
Net assets released from restrictions	130,114	(130,114)	-	-
Total revenues and support	<u>1,774,082</u>	<u>(6,114)</u>	<u>1,767,968</u>	<u>3,944,301</u>
EXPENSES				
Program	1,336,984	-	1,336,984	1,337,315
Management and general	158,066	-	158,066	186,788
Cost of direct benefit to donors	74,260	-	74,260	76,840
Fundraising	167,144	-	167,144	164,469
Total expenses	<u>1,736,454</u>	<u>-</u>	<u>1,736,454</u>	<u>1,765,412</u>
CHANGE IN NET ASSETS	37,628	(6,114)	31,514	2,178,889
NET ASSETS AT BEGINNING OF YEAR	3,415,884	247,806	3,663,690	1,484,801
NET ASSETS AT END OF YEAR	<u>\$ 3,453,512</u>	<u>\$ 241,692</u>	<u>\$ 3,695,204</u>	<u>\$ 3,663,690</u>

The accompanying notes are an integral part of these financial statements.

CASA OF OKLAHOMA COUNTY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT			
Contributions	\$ 442,717	\$ 159,870	\$ 602,587
Grants and contracts	413,090	112,200	525,290
Special events	410,482	-	410,482
Investment income	56,004	-	56,004
Rent income	28,345	-	28,345
Other income	16,497	-	16,497
In-kind donations			
Volunteer services	265,096	-	265,096
Building leases	2,040,000	-	2,040,000
Net assets released from restrictions	180,909	(180,909)	-
Total revenues and support	3,853,140	91,161	3,944,301
EXPENSES			
Program	1,337,315	-	1,337,315
Management and general	186,788	-	186,788
Cost of direct benefit to donors	76,840	-	76,840
Fundraising	164,469	-	164,469
Total expenses	1,765,412	-	1,765,412
CHANGE IN NET ASSETS	2,087,728	91,161	2,178,889
NET ASSETS AT BEGINNING OF YEAR	1,328,156	156,645	1,484,801
NET ASSETS AT END OF YEAR	\$ 3,415,884	\$ 247,806	\$ 3,663,690

The accompanying notes are an integral part of these financial statements.

CASA OF OKLAHOMA COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025 (with comparative totals for June 30, 2024)

	2025				2024	
	Program Services	Management and General	Costs of Direct Benefits to Donors	Fundraising	Total	Total
Salaries	\$ 708,232	\$ 23,480	\$ -	\$ 109,369	\$ 841,081	\$ 829,185
Employee benefits	74,986	28,328	-	9,876	113,190	123,581
Payroll taxes	51,495	2,407	-	12,384	66,286	65,314
Awards and events	5,819	1,918	-	1,215	8,952	7,517
Conference and meetings	3,940	1,032	-	446	5,418	5,708
Depreciation and amortization expense	63,194	33,367	-	9,528	106,089	111,295
Dues and subscriptions	8,284	4,203	-	1,200	13,687	11,026
Occupancy	32,219	15,942	-	4,250	52,411	80,470
Office expense	29,060	9,030	-	5,639	43,729	44,664
Information technology	14,332	2,348	-	670	17,350	14,797
Insurance	22,656	11,963	-	3,416	38,035	18,222
Professional fees	66,341	23,968	-	9,130	99,439	101,230
Special events	119	-	74,260	-	74,379	86,190
Volunteer hours	254,720	-	-	-	254,720	265,096
Other	1,587	80	-	21	1,688	-
Total	\$ 1,336,984	\$ 158,066	\$ 74,260	\$ 167,144	\$ 1,736,454	\$ 1,764,295

The accompanying notes are an integral part of these financial statements.

CASA OF OKLAHOMA COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Program Services</u>	<u>Management and General</u>	<u>Costs of Direct Benefits to Donors</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 659,362	\$ 74,846	\$ -	\$ 94,977	\$ 829,185
Employee benefits	98,013	11,376	-	14,192	123,581
Payroll taxes	56,399	723	-	8,192	65,314
Advertising and marketing	911	28	-	28	967
Conference and meetings	4,705	480	-	523	5,708
Depreciation and amortization expense	85,479	12,929	-	12,887	111,295
Dues and subscriptions	8,468	1,281	-	1,277	11,026
Occupancy	61,804	9,348	-	9,318	80,470
Office expense	31,288	5,151	-	8,225	44,664
Information technology	13,487	656	-	654	14,797
Insurance	13,700	2,072	-	2,450	18,222
Professional fees	22,816	67,272	-	11,142	101,230
Special events	9,330	20	76,840	-	86,190
Volunteer hours	265,096	-	-	-	265,096
Other	1,061	28	-	28	1,117
Total	<u>\$ 1,331,919</u>	<u>\$ 186,210</u>	<u>\$ 76,840</u>	<u>\$ 163,893</u>	<u>\$ 1,758,862</u>

The accompanying notes are an integral part of these financial statements.

CASA OF OKLAHOMA COUNTY, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 31,514	\$ 2,178,889
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Building donation	-	(2,040,000)
Building lease	-	45,821
Depreciation and amortization	106,088	111,295
Noncash investment income	(20,017)	-
Loss on disposal of property and equipment	-	557
Change in funds held by community foundations	(19,182)	(18,419)
Change in operating assets and liabilities:		
Grants receivable	(42,480)	(5,975)
Prepaid expenses and other assets	(9,876)	4,591
Accounts payable	(12,451)	(57,017)
Accrued compensated absences	3,624	(4,689)
Net cash provided by operating activities	<u>37,220</u>	<u>215,053</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of certificate of deposit	-	(416,827)
Purchase of property and equipment	-	(2,063)
Proceeds from funds held by community foundations	7,981	10,033
Net cash provided by (used in) investing activities	<u>7,981</u>	<u>(408,857)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on financing lease obligations	(10,052)	(9,516)
Net cash used in financing activities	<u>(10,052)</u>	<u>(9,516)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	35,149	(203,320)
CASH AND CASH EQUIVALENTS, Beginning of year	877,991	1,081,311
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 913,140</u>	<u>\$ 877,991</u>
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Interest paid on finance lease	<u>\$ 1,139</u>	<u>\$ 1,676</u>

See accompanying notes to financial statements.

CASA OF OKLAHOMA COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of activities – The mission of CASA of Oklahoma County, Inc. (“CASA” or the “Organization”) is to provide trained court appointed volunteers who advocate for the best interest of abused and neglected children in the juvenile court system. CASA provides a voice and a caring adult to a child during a very scary time in their lives, the journey into a world of strangers. CASA’s goal is to achieve safe, stable, permanent homes for each and every child served. Implemented in the fall of 1987 as a department under the Oklahoma County Juvenile Bureau, Oklahoma County CASA trained its first class of advocate volunteers in March 1988. As of September 17, 2007, CASA of Oklahoma County, Inc. was incorporated as its own 501(c)(3) organization, and effective July 1, 2008, separated from Oklahoma County in an effort to diversify funding and expand its ability to serve Oklahoma County’s most vulnerable children. The program is a member of both the National CASA and Oklahoma CASA associations.

CASA receives revenue from the Oklahoma CASA Association, Inc., Victims of Crime Act (“VOCA”), Oklahoma County, and the National CASA Association in the form of grants, as well as support from corporations, foundations, and individuals.

Basis of Accounting – The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other assets and liabilities.

Basis of Presentation – Net assets, revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Financial statement presentation reports information regarding CASA’s financial position and activities as follows:

Net assets without donor restrictions – Net assets available for use in general operations and not subject to donor restrictions.

Net assets with donor restrictions – Net assets 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.

Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates, and those differences could be material.

Estimated credit losses – CASA is exposed to credit losses in the event of nonperformance by counterparties to CASA’s financial instruments. Financial instruments that potentially subjects CASA to concentrations of credit risk are primarily cash and cash equivalents, certificate of deposit, beneficial interest in the assets held by others, and grants receivable. CASA regularly evaluates the credit standing of its counterparties.

Revenue recognition – Contributions, including grants and contracts, are recognized as revenues in the period unconditional promises to give are received and are reported as net assets with or without donor restrictions depending on the existence or nature of any donor restrictions. The standards also provide that if the governing body of an organization has the right to remove a donor restriction, the contributions should be classified as without donor restriction. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. Revenue and support from certain grants and contracts are recognized upon the Organization incurring qualifying program expenses. Revenue and support from special fundraising events are recognized in the period the events occur.

The Organization’s grants receivable are receivable within the next 12 months and are recorded at their net realizable value. CASA uses the allowance method to estimate the amount of grant receivable for which collection is not probable. The allowance is based on review of outstanding balances, historical collection information, existing economic conditions, and reasonable and supportable forecasts. Management believes all receivables are fully collectible within the next year; accordingly, no allowance for doubtful accounts have been recorded.

In-kind donations – Donations of goods and services are recorded in the financial statements at the estimated value of such goods and services. During the year ended June 30, 2024, CASA received a building donation valued at \$2,040,000 which has been capitalized within property and equipment. CASA also receives significant volunteer services in conjunction with the advocacy program. These services qualify for in-kind matching for some of its grant funding. CASA volunteers recorded approximately 8,316 and 9,044 hours of service valued at \$254,720 and \$265,096 based on volunteer hourly rates approved by the granting source, for 2025 and 2024, respectively.

Cash and cash equivalents – For purposes of the statement of cash flows, CASA considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Certificate of deposit - Certificates of deposit are held at cost plus accrued interest (if applicable) which approximates fair market value.

Funds held by Community Foundations – CASA follows Accounting Standards Codification (“ASC”) guidance which requires a not-for-profit organization that transfers assets to a community foundation and specifies itself as the beneficiary to recognize its beneficial interest in the assets transferred (see Note 5). CASA carries its beneficial interest in the assets held by the Oklahoma City Community Foundation, Inc. (“OCCF”) and the Communities Foundation of Oklahoma (“CFO”) at fair value.

Property and equipment – Property and equipment are recorded at cost, or fair value if donated, and depreciated using the straight-line method over estimated useful lives of five to thirty years. Maintenance and repairs which do not improve or extend the useful lives of the assets are expensed as incurred. It is CASA’s policy to capitalize additions and betterments costing more than \$1,000. Upon retirement or replacement, the costs and accumulated depreciation are removed from the respective accounts and the differences are included in changes in net assets.

Compensated absences – CASA provides paid annual and sick leave (“PTO”) to its employees. All full-time employees are eligible for PTO; accrual of which varies depending upon years of service. Maximum accrual is 40 days per year for full-time employees and part-time employees accrue at one

half the rate of full-time employees. Upon termination, employees may be paid for up to 40 hours of accrued but unused PTO.

Functional expenses – The costs of providing the various programs and other activities have been summarized on a functional basis in the financial statements. The statement of functional expense present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and activities benefited.

Income taxes – CASA is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Code as other than a private foundation. CASA is subject to routine audits by taxing jurisdictions. Management believes it is no longer subject to income tax examinations for years prior to 2022.

Reclassifications – Certain balances in the prior year financial statements have been reclassified to conform to the current year presentation. Such reclassifications did not impact the net assets or the change in net assets as of and for the year ended June 30, 2024.

Subsequent events – CASA has evaluated subsequent events through October 2, 2025, the date the financial statements were available to be issued. There are no subsequent events requiring recognition or disclosure in the financial statements.

2. 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:

	2025	2024
Cash and cash equivalents	\$ 913,140	\$877,991
Certificate of deposit	436,844	416,827
Grants receivable	186,893	144,413
Distributions from funds held by community foundations	11,428	10,503
Financial assets available to meet cash needs for general expenditures within one year	\$ 1,548,305	\$1,449,734

In addition to financial assets available to meet general expenditures over the next 12 months, CASA utilizes a detailed, monthly, board-approved budget and manages and reports to the board and finance committee on their performance related to that budget. CASA receives contributions restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. CASA manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

3. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods.

	<u>2025</u>	<u>2024</u>
Subject to expenditure for specified purposes:		
Building fund	\$ 117,692	\$ 135,606
Subject to the passage of time:		
Time restricted for subsequent period	<u>124,000</u>	<u>112,200</u>
Total net assets with donor restrictions	<u>\$ 241,692</u>	<u>\$ 247,806</u>

4. EMPLOYEE RETIREMENT PLAN

CASA has a Simple IRA Plan under which employees are eligible to participate in the plan if they expect to receive at least \$5,000 in compensation in the current calendar year and have received at least \$5,000 during any one prior calendar year. The employees are eligible to make deferrals up to IRS limits and CASA will match the employees' contributions up to 3% of their compensation. CASA's contribution to the retirement plan for the years ended June 30, 2025 and 2024 was \$18,825 and \$18,435, respectively.

5. FUNDS HELD BY COMMUNITY FOUNDATIONS

CASA is the designated beneficiary of donor advised funds at Oklahoma City Community Foundation ("OCCF") and Communities Foundation of Oklahoma ("CFO") (collectively referred to as the "Community Foundations"). These funds were contributed to the Community Foundations by CASA and other third party contributors. The Community Foundations have variance power over all contributions. CASA follows the standard "Transfers of Assets to a Not-for-Profit Organization or Charitable Trust That Raises or Holds Contributions for Other" to account for these funds. Assets transferred by CASA remain on the statements of financial position as funds held by community foundations. Contributions from third parties are disclosed below, but not recognized as assets of CASA. CASA receives a distribution from funds held at the Community Foundations each year based on a percentage of the average fair market value of the funds over the previous twelve quarters. The balance of the funds at June 30, 2025 and 2024 was as follows:

	<u>2025</u>		<u>2024</u>	
	Funds Held by Community Foundations	Donated by third parties (disclosure only)	Funds Held by Community Foundations	Donated by third parties (disclosure only)
OCCF	\$ 26,420	\$ 46,508	\$ 23,716	\$ 43,263
CFO	172,350	17,330	163,853	16,475
	<u>\$ 198,770</u>	<u>\$ 63,838</u>	<u>\$ 187,569</u>	<u>\$ 59,738</u>

6. FAIR VALUE MEASUREMENTS

The following methods and assumptions used to estimate the fair value of financial instruments in the financial statements, including a description of the methodologies used for the classifications within the fair value hierarchy, are as follows:

Funds held by community foundations – The fair value of CASA’s funds held by community foundations is based on the fair value as reported by the Community Foundations. These are considered to be Level 3 assets.

Assets measured at fair value on a recurring basis are classified within the fair value hierarchy at June 30, 2025 and 2024 as follows:

		As of June 30, 2025				
		Carrying Value	Total Fair Value	Fair Value Measurements		
				Level 1	Level 2	Level 3
ASSETS						
	Funds held by community foundations	\$ 198,770	\$ 198,770	\$ -	\$ -	\$ 198,770
		As of June 30, 2024				
		Carrying Value	Total Fair Value	Fair Value Measurements		
				Level 1	Level 2	Level 3
ASSETS						
	Funds held by community foundations	\$ 187,569	\$ 187,569	\$ -	\$ -	\$ 187,569

7. BOARD DESIGNATED ENDOWMENT FUNDS

The board of directors has designated funds held by community foundations as endowments to support the operations of CASA. Since the endowments resulted from an internal designation and are not donor-restricted, they are classified as net assets without donor restriction. Composition of and changes in unrestricted endowment net assets for the years ended June 30, 2025 and 2024 is as follows:

	2025	2024
Endowment net assets, beginning of year	\$ 187,569	\$ 179,183
Investment return	19,182	18,419
Appropriation of endowment assets for expenditure	(7,981)	(10,033)
Endowment net assets, end of year	\$ 198,770	\$ 187,569

8. FINANCE LEASE

Lessee - The Organization has a finance lease for equipment. The Organization assesses whether an arrangement qualifies as a lease (i.e., conveys the right to control the use of an identified asset for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. Leases with an initial term of 12 months or less are not recorded on the statement of financial position. Lease expense is recognized for this lease on a straight-line basis over the lease term. The lease has a remaining term of 1.4 years.

As the lease does not provide an implicit rate, the Organization uses the risk-free borrowing rate as determined by the federal reserve based on the information available at the commencement date in determining the present value of lease payments.

The components of lease expense for the year ended June 30, 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Finance lease cost:		
Amortization of right-of-use assets	\$ 10,127	\$ 10,127
Interest on lease liabilities	1,139	1,676
Total lease cost	<u>\$ 11,266</u>	<u>\$ 11,803</u>

Supplemental cash flow information related to leases for the year ended June 30, 2025 and 2024 was as follows:

	<u>2025</u>	<u>2024</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Finance Lease - Operating Cash Flows	\$ 1,139	\$ 1,676
Finance Lease - Financing Cash Flows	10,052	9,515

Supplemental information related to leases for the year ended June 30, 2025 and 2024 was as follows:

	<u>2025</u>	<u>2024</u>
Weighted Average Remaining Lease Term		
Finance leases	1 Year	2 Years
Weighted Average Discount Rate		
Finance leases	5.50%	5.50%

Maturities of lease liabilities as of June 30, 2025 were as follows:

Years ending June 30:	Finance Leases
2026	\$ 11,191
2027	<u>5,656</u>
Total lease payments	16,847
Less imputed interest	<u>(695)</u>
Total	<u><u>\$ 16,152</u></u>

9. OPERATING LEASE

Lessor – CASA’s rental revenue is earned through the lease of space at its properties. CASA’s lease with tenant for the use of space at its properties is classified as an operating lease. Rental revenues include minimum rent. Early termination subject tenant to CASA’s remaining unamortized upfront costs such as improvements, brokerage commissions and legal fees. There is no right for the lessee to purchase the leased asset. Minimum rental revenue from operating leases is recognized on a straight-line basis over the term of the related lease. The undiscounted future fixed lease payments to be received under CASA’s operating leases are as follows:

<u>Year ending June 30,</u>	Amount
2026	\$ 50,850
2027	50,850
2028	50,850
2029	<u>12,713</u>
Total	<u><u>\$ 165,263</u></u>

10. FUNCTIONALIZED EXPENSES

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Management’s reporting of expenses on a functional basis starts with recording expenses directly associated with functions to their functions. All expenses recorded to the management and general function are then allocated based on revenue sources associated with each function. As a result, all expense categories in the statement of functional expenses include an allocation of management and general expenses.

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