BLUE RIDGE CASA FOR CHILDREN, INC.

AUDITED FINANCIAL STATEMENTS

FISCAL YEARS ENDED
JUNE 30, 2024 AND 2023

BLUE RIDGE CASA FOR CHILDREN, INC.

BOARD OF DIRECTORS

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BLUE RIDGE CASA FOR CHILDREN, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Blue Ridge CASA for Children, Inc.

Opinion

We have audited the accompanying financial statements of Blue Ridge CASA for Children, Inc. (a non-profit organization), which comprise the statement of assets, liabilities, and net assets-modified cash basis as of June 30, 2024, and the related statements of support, revenue, and expenses-modified cash basis, functional expenses-modified cash basis, and cash flows-modified cash basis 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 assets, liabilities, and net assets of Blue Ridge CASA for Children, Inc. as of June 30, 2024, and the support, revenue, and expenses for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

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 Blue Ridge CASA for Children, Inc. and to meet our other ethical responsibilities in accordance with 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.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting as described in Note 1; and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

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 Blue Ridge 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 Blue Ridge 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 matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited Blue Ridge CASA for Children, Inc.'s financial statements as of and for the year ended June 30, 2023, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 20, 2024. 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.

Didawick & Company, P.C.

March 3, 2025

BASIC FINANCIAL STATEMENTS

BLUE RIDGE CASA FOR CHILDREN, INC.
Statements of Assets, Liabilities, and Net Assets - Modified Cash Basis
At June 30, 2024 and 2023

	2024	2023
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 162,512	$ 193,945
Total current assets	162,512	193,945
Property and Equipment (Note 1):		
Land	13,969	13,969
Office condominium	135,999	135,999
Office equipment	28,248	29,642
Vehicle	22,460	22,460
Less accumulated depreciation	(59,109)	(55,046)
Total property and equipment	141,567	147,024
Other Assets:		
Investments	413,547	319,291
Total other assets	413,547	319,291
Total Assets	$ 717,626	$ 660,260
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Payroll withholdings and accrued liablities	$ 3,759	$ 4,377
Total current liabilities	3,759	4,377
Total Liabilities	3,759	4,377
Net Assets:		
Without donor restrictions	713,867	655,883
Total Net Assets	713,867	655,883
Total Liabilities and Net Assets	$ 717,626	$ 660,260

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

BLUE RIDGE CASA FOR CHILDREN, INC.
Statements of Support, Revenue, and Expenses - Modified Cash Basis
For the Years Ended June 30, 2024 and 2023

	Without Donor Restrictions	With Donor Restrictions	2024 Total	2023 Total
REVENUES, GAINS, AND OTHER SUPPORT:				
Grants:				
AHC Foundation	$ -	$ 25,000	$ 25,000	$ -
CAPSAW	-	10,000	10,000	10,745
City of Harrisonburg CDBG	-	11,250	11,250	31,056
City of Staunton CDBG	-	7,300	7,300	16,550
Community Foundation of the Central Blue Ridge	-	5,000	5,000	14,500
Community Foundation of Harrisonburg	5,000	-	5,000	7,477
Community Foundation of Rockbridge	-	5,000	5,000	-
Department of Criminal Justice Services	-	98,324	98,324	106,798
DCJS Expansion Grant	-	125,151	125,151	-
E. C. Wareheim Foundation	-	10,000	10,000	25,000
United Way of Greater Augusta	-	7,833	7,833	14,500
United Way of Rockbridge	-	7,500	7,500	9,000
United Way of Rockingham/Harrisonburg	-	4,500	4,500	5,500
Unsolicited donations	121,043	77,281	198,324	176,946
Campaigning	125,996	-	125,996	178,618
Miscellaneous	2,520	-	2,520	930
In-kind contributions	4,000	-	4,000	4,000
Interest income	708	-	708	538
Investment income/(loss)	93,012	-	93,012	72,267
Gain/(Loss) on disposal of assets	-	-	-	(3,384)
Net assets released from restriction:				
Satisfaction of child advocation restrictions	394,139	(394,139)	-	-
Total revenues, gains, and other support	746,418	-	746,418	671,041
EXPENSES AND LOSSES:				
Program services:				
Child advocation	523,633	-	523,633	443,476
Supporting services:				
Management and general	78,566	-	78,566	71,103
Fundraising	86,235	-	86,235	76,933
Total expenses and losses	688,434	-	688,434	591,512
Change in Net Assets	57,984	-	57,984	79,529
Net Assets, Beginning of Year	655,883	-	655,883	576,354
Net Assets, End of Year	$ 713,867	$ -	$ 713,867	$ 655,883

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

BLUE RIDGE CASA FOR CHILDREN, INC.
Statements of Functional Expenses - Modified Cash Basis
For the Years Ended June 30, 2024 and 2023

	2024				2023			
	Program Services	Supporting Services			Program Services	Supporting Services		
	Child Advocation	Management and General	Fundraising	Total	Child Advocation	Management and General	Fundraising	Total
Salaries	$ 357,912	$ 55,141	$ 54,418	$ 467,471	$ 302,957	$ 52,548	$ 48,544	$ 404,049
Employee benefits	29,267	5,488	1,829	36,584	27,833	5,219	1,739	34,791
Payroll taxes	29,086	5,454	1,818	36,358	26,430	4,955	1,652	33,037
Total personnel costs	416,265	66,083	58,065	540,413	357,220	62,722	51,935	471,877
Bank service charge	-	1,121	-	1,121	-	560	-	560
Campaigning	1,246	138	1,384	2,768	1,364	152	1,515	3,031
Case management and travel	9,590	-	505	10,095	7,296	-	384	7,680
COA dues	5,793	322	322	6,437	5,793	322	322	6,437
Depreciation (Note 1.D)	9,527	3,175	-	12,702	5,553	1,851	-	7,404
Dues and subscriptions	6,176	1,029	13,381	20,586	5,265	878	11,408	17,551
Fundraising expenses	10,076	-	10,076	20,152	9,479	-	9,479	18,958
National CASA dues	275	-	-	275	275	-	-	275
Insurance	11,155	620	620	12,395	3,659	203	203	4,065
Interest	-	611	-	611	-	180	-	180
Marketing and volunteer expenses	10,198	-	-	10,198	9,805	-	-	9,805
Miscellaneous	-	902	-	902	-	99	-	99
Office expense	9,396	501	545	10,442	9,857	525	569	10,951
Postage	1,315	73	73	1,461	1,199	67	67	1,333
Professional fees	8,180	2,727	-	10,907	7,480	2,493	-	9,973
Rent	5,724	318	318	6,360	5,724	318	318	6,360
Repairs and maintenance	3,291	183	183	3,657	3,979	221	221	4,421
Training	9,771	449	449	10,669	4,379	226	226	4,831
Utilities	5,655	314	314	6,283	5,149	286	286	5,721
Total other operating expenses	107,368	12,483	28,170	148,021	86,256	8,381	24,998	119,635
Total operating expenses	$ 523,633	$ 78,566	$ 86,235	$ 688,434	$ 443,476	$ 71,103	$ 76,933	$ 591,512

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

BLUE RIDGE CASA FOR CHILDREN, INC.
Statements of Cash Flows - Modified Cash Basis
For the Years Ended June 30, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from grants	$ 321,858	$ 241,126
Cash received from contributions	198,324	176,946
Other receipts	128,517	183,638
Interest and dividends received	1,410	1,028
Cash paid to employees and suppliers	(671,740)	(580,122)
Interest paid	(611)	(180)
Net Cash Provided by Operating Activities	(22,242)	22,436
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(1,945)	(20,224)
Purchase of capital assets	(7,246)	(24,273)
Net Cash Used by Investing Activities	(9,191)	(44,497)
Net Increase/(Decrease) in Cash	(31,433)	(22,061)
Cash and Cash Equivalents, Beginning of Year	193,945	216,006
Cash and Cash Equivalents, End of Year	$ 162,512	$ 193,945

RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES:

	2024	2023
Change in net assets	57,984	79,529
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	12,702	7,404
(Gain)/loss on asset disposals	-	3,384
Dividend reinvestment	(1,982)	(1,770)
Unrealized (gain)/loss on investment	(90,327)	(70,007)
(Increase)/Decrease in other current assets	-	4,090
Increase/(Decrease) in payroll withholdings	(619)	(194)
Net Cash Provided by Operating Activities	$ (22,242)	$ 22,436

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

BLUE RIDGE CASA FOR CHILDREN, INC.
Notes to Financial Statements
June 30, 2024 and 2023

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity – Blue Ridge CASA for Children, Inc. (the Organization) is a not-for-profit corporation established and operated for the purpose of speaking for the best interests of abused and neglected children from the Alleghany, Augusta, Rockbridge County, Virginia and the Cities within, before the court. The Organization provides quality volunteer representation by advocating for a safe, permanent, and nurturing home for each child. The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been classified as an organization that is not a private foundation under Section 509(a) of the Internal Revenue Code. Accordingly, no provision is made for income tax in the financial statements.

B. Financial Statement Presentation – For the years ended June 30, 2024 and 2023, the Organization has prepared its financial statements in accordance with the modified cash basis of accounting for not-for-profit entities. Under this guidance, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Without donor restrictions – Net assets that are not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Directors or may otherwise be limited by contractual agreements with outside parties.

With donor restrictions – Net assets subject to donor-imposed stipulations that may be temporary or permanent in nature. Stipulations that are temporary in nature expire either by passage of time or fulfillment by action of the Organization. Stipulations that are permanent in nature require amounts to be held in perpetuity.

C. Basis of Accounting – The financial statements of the Organization have been prepared on the cash basis of accounting with modifications made for investments, payroll withholdings and depreciation. Consequently, revenues are recognized when received rather than when earned and expenses are recognized when paid rather than when incurred. The bases of revenue recognition for the major sources of income are as follows:

Support and Revenue – The Organization receives grants from state and local agencies. Revenue is recognized as cash is received.

Contributions – All contributions are considered to be without restriction unless specifically stipulated by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions. The Organization received restricted contributions of $394,139 and $304,670 during the years ended June 30, 2024 and 2023, respectively.

D. Property and Equipment – The Organization capitalizes all real and personal property acquired with a significant value and useful life exceeding one year. Property and equipment is recorded at cost or fair value at the date of gift, if contributed. Depreciation is computed on the straight-line basis over the following estimated useful lives:

Office Equipment	3-7 years
Office Condominium	39 years

E. Contributed Services and Supplies – The contribution of services are recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. A significant portion of the Organization's program activities is conducted by unpaid volunteers and volunteer advocates. For fiscal years 2024 and 2023, volunteer and volunteer advocates donated hours of 3,174 with a fair value of $105,948 and 3,490 hours with a fair value of $110,982, respectively. However, the value of this contributed time is not reflected in the accompanying financial statements since the volunteers' time does not meet the criteria necessary for recognition.

BLUE RIDGE CASA FOR CHILDREN, INC.
Notes to Financial Statements
June 30, 2024 and 2023

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

E. Contributed Services and Supplies (Cont'd) - The value of the remaining contributed services and supplies reflected in the accompanying financial statements totaled $4,000. This amount of $4,000 was for accounting/auditing services. These in-kind contributions were recognized as in-kind revenues during the current year and none of these were restricted. For the contributed services, values were determined by the vendor providing the service at the prevailing rate at the time of the contribution. All in-kind contributions were used for program services of the organization during the current fiscal year.

F. Use of Estimates – The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

G. Functional Allocation of Expenses – The costs of providing the Organization's program and supporting services have been summarized on a functional basis in the statement of revenues, expenses, and other changes in net assets-modified cash basis. Accordingly, certain costs have been allocated between the program and supporting services benefited.

H. Cash and Cash Equivalents – For purposes of the statement of cash flows-modified cash basis, the Organization considers cash in bank, cash on hand, certificates of deposit, money market mutual funds, and highly liquid investments purchased with a maturity date of three months or less to be cash and cash equivalents.

I. Investments – Investments are recorded at fair market value as of the balance sheet date. Investments at June 30, 2024 and 2023 were $413,547 and $319,291, respectively.

J. Advertising – The Organization expenses all advertising costs as they are incurred. Total advertising costs for fiscal years 2024 and 2023 were $438 and $438 respectively.

K. Income Tax Status – The Organization is exempt from federal income taxes under Section 501(c)(3) of Internal Revenue Code and has been classified as an organization that is not a private foundation under Section 509(a) of the Internal Revenue Code. Accordingly, no provision is made for income tax in the financial statements. Generally, federal, state, and local authorities may examine the Organization's tax returns for three years from the date of filing or the due date of the return and the current and prior three years remain subject to examination as of June 30, 2024.

J. Adoption of New Accounting Standards:
The Organization adopted ASU 2016-13 *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments,* which replaces the incurred loss methodology that is referred to as the current expected credit loss (CECL) methodology. The measurement of expected credit losses under the CECL methodology is applicable to financial assets measured at amortized cost, including loan receivables and held to maturity debt securities. It also applies to off-balance sheet credit exposures not accounted for as insurance (loan commitments, standby letters of credit, financial guarantees, and other similar instruments) and net investments in leases recognized by a lessor in accordance with Topic 842 on leases. The Organization did not have any material current expected losses during the current year.

2. INVESTMENTS

The Organization has invested funds in various investment products through a brokerage company. The values of the Organization's investments are subject to market and investment risks. The Organization's investments are carried at their fair market value based upon the values reported by brokerage company. Increases or decreases in fair market values are recorded as changes in net assets without or with donor restrictions in the year incurred based on the existence of any donor stipulations.

BLUE RIDGE CASA FOR CHILDREN, INC.
Notes to Financial Statements
June 30, 2024 and 2023

2. INVESTMENTS (CONT'D)

Investments as of June 30, 2024 are summarized as follows:

	Fair Value	Carrying Value
Net Assets Without Donor Restrictions:		
Brokerage	$413,548	$ 413,548

The following schedule summarizes investment returns for the year ended June 30, 2024:

	Net Assets Without Donor Restrictions
Fair value, 06/30/2023	$ 319,291
Interest and dividend earnings reinvested	1,984
Investment purchases	1,945
Gain (loss) on sales	-0-
Unrealized gain (loss) on investment	90,327
Fair value, 06/30/24	$ 413,547

Investments as of June 30, 2023 are summarized as follows:

	Fair Value	Carrying Value
Net Assets Without Donor Restrictions:		
Brokerage	$ 319,291	$ 319,291

The following schedule summarizes investment returns for the year ended June 30, 2023:

	Net Assets Without Donor Restrictions
Fair value, 06/30/2022	$ 227,292
Interest and dividend earnings reinvested	1,770
Investment purchases	20,222
Gain (loss) on sales	-0-
Unrealized gain (loss) on investment	70,007
Fair value, 06/30/23	$ 319,291

3. NATIONAL ASSOCIATION

The Organization pay dues to its national affiliate annual. During the years ended June 30, 2024 and June 30, 2023, the Organization paid its national affiliate dues of $275 and $275 respectively.

4. ALLOCATION OF FUNCTIONAL EXPENSES

The costs of providing the Organization's program and administrative services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated between the program and support services benefited. Allocations are based on employee time spent in each functional area and the purpose of expenses incurred.

5. ALLOCATION OF JOINT COSTS

The Organization incurred joint costs of $22,920 and $21,990 in 2024 and 2023 for informational materials and activities that included fund-raising appeals and to raise awareness and recruit new volunteers. In 2024, the Organization allocated $11,322 to program services, $138 to management and general, and $11,460 to fundraising costs. In 2023, the Organization allocated $9,212 to program services, $152 to management and general, and $12,626 to fund-raising costs.

BLUE RIDGE CASA FOR CHILDREN, INC.
Notes to Financial Statements
June 30, 2024 and 2023

6. FAIR VALUE MEASUREMENTS

The Organization applies generally accepted accounting principles for fair value measurements of financial assets that are recognized or disclosed at fair value in the financial statements on a recurring basis. GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Investments in this category include equity securities that are not actively traded.
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The fair values measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at June 30, 2024 are as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)
Long-term investments	$ 413,547	$ 413,547
Total	$ 413,547	$ 413,547

The fair values measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at June 30, 2023 are as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)
Long-term investments	$ 319,291	$ 319,291
Total	$ 319,291	$ 319,291

(Notes continued on the next page)

7. LIQUIDITY MANAGEMENT

The following reflects the Organization's financial assets as of June 30, 2024 and 2023, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

	2024	2023
Financial assets at year-end	$ 576,059	$ 513,236
Less those unavailable for general expenditure within one year, due to:		
Usage restricted by donor stipulations	-0-	-0-
Financial assets available to meet cash needs for general expenditure within one year	$ 576,059	$ 513,236

The Organization has a goal to maintain financial assets on hand to meet six (6) months of normal operating expenses, net of in-kind expenses and depreciation, which on average approximated $312,960 for fiscal year 2024 and 2023. Blue Ridge CASA for Children, Inc. has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

8. LEASES

The Organization adopted FASB Topic 842, *Leases*, using the modified retrospective approach with July 1, 2022 as the date of initial adoption. The Organization elected the package of practical expedients permitted under the transition guidance within the new standard, which among other things, allowed the Organization to carry forward the historical lease classification. In addition, the Organization elected the practical expedient to use hindsight in determining the lease term for existing leases, which resulted in shortening the lease terms for certain existing leases as certain options to renew were not reasonably certain. The Organization leases office space from Eastham, LLC under what has been determined to be an immaterial lease to the financial statements as a whole, and has elected the immaterial lease recognition exemption for all applicable classes of underlying assets.

9. SUBSEQUENT EVENTS

Subsequent events were evaluated through March 3, 2025, which is the date the financial statements were available to be issued. As of that date, no events requiring disclosure were known to exist.