

**HENRICO COUNTY COURT APPOINTED SPECIAL
ADVOCATES, INC.**

**Financial Statements
for the year ended
June 30, 2025
(with comparative financial information for
the year ended June 30, 2024)**

HENRICO COUNTY COURT APPOINTED SPECIAL ADVOCATES, INC.

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Frank Barcalow CPA, P.L.L.C.
Certified Public Accountant

Independent Auditor's Report

The Board of Directors
Henrico County Court Appointed Special Advocates, Inc.
Henrico, Virginia

Opinion

We have audited the accompanying financial statements of Henrico County Court Appointed Special Advocates, Inc. (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 Henrico County Court Appointed Special Advocates, Inc. 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 Henrico County Court Appointed Special Advocates, Inc. 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 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 Henrico County Court Appointed Special Advocates, Inc.'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 Henrico County Court Appointed Special Advocates, 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 Henrico County Court Appointed Special Advocates, 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 related matters that we identified during the audit.

Frank Barcalow CPA, P.L.L.C.

Frank Barcalow CPA, P.L.L.C.
Richmond, Virginia
August 7, 2025

Henrico County Court Appointed Special Advocates, Inc.

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Statement of Financial Position

June 30, 2025

(With summarized financial information for the year ended June 30, 2024)

	<u>2025</u>	<u>2024</u>
Current assets		
Cash and cash equivalents	\$ 55,640	\$ 68,979
Investments	1,965,309	1,541,737
Prepaid expenses	6,714	5,628
Grant and other receivables	<u>37,769</u>	<u>34,503</u>
Total current assets	<u>2,065,432</u>	<u>1,650,847</u>
Property and equipment		
Furniture and equipment	21,942	20,437
Less accumulated depreciation	<u>15,470</u>	<u>10,243</u>
Total property and equipment	<u>6,472</u>	<u>10,194</u>
Total assets	<u>\$ 2,071,904</u>	<u>\$ 1,661,041</u>
Liabilities and net assets		
Liabilities		
Accounts payable and accrued expenses	\$ 5,103	\$ 23,062
Deferred revenue	<u>73,250</u>	<u>23,750</u>
Total liabilities	<u>78,353</u>	<u>46,812</u>
Net assets		
Net assets without donor restrictions	<u>1,993,551</u>	<u>1,614,229</u>
Total liabilities and net assets	<u>\$ 2,071,904</u>	<u>\$ 1,661,041</u>

See notes to the financial statements.

Henrico County Court Appointed Special Advocates, Inc.

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Statement of Activities

For the Year Ended June 30, 2025

(With summarized financial information for the year ended June 30, 2024)

	<u>Net assets Without Restrictions</u>	<u>Net assets With Restrictions</u>	<u>Total 2025</u>	<u>Total 2024</u>
Public support and revenue				
Grants	\$ 258,342	\$ 220,163	\$ 478,505	\$ 394,407
Contributions	210,561	-	210,561	170,969
In-Kind contributions	153,878	-	153,878	155,378
Special event revenue	286,986	-	286,986	238,225
Investment income, net	97,469	-	97,469	39,068
Realized gain on sale of investments	22,565	-	22,565	(5,135)
Unrealized (losses) gain on investments	40,962	-	40,962	68,060
Other income	-	-	-	-
Total public support and revenue	<u>1,070,763</u>	<u>220,163</u>	<u>1,290,926</u>	<u>1,060,972</u>
Net assets released from program restrictions	<u>220,163</u>	<u>(220,163)</u>	<u>-</u>	<u>-</u>
Total public support and revenue	<u>1,290,926</u>	<u>-</u>	<u>1,290,926</u>	<u>1,060,972</u>
Expenditures				
Program services	713,917	-	713,917	665,530
Supporting services				
General and administrative	92,580	-	92,580	84,913
Fundraising	105,107	-	105,107	65,445
Total Supporting services	<u>197,687</u>	<u>-</u>	<u>197,687</u>	<u>150,358</u>
Total expenditures	<u>911,604</u>	<u>-</u>	<u>911,604</u>	<u>815,888</u>
Change in net assets	379,322	-	379,322	245,084
Net assets at beginning of year	<u>1,614,229</u>	<u>-</u>	<u>1,614,229</u>	<u>1,369,145</u>
Net assets at end of year	<u>\$ 1,993,551</u>	<u>\$ -</u>	<u>\$ 1,993,551</u>	<u>\$ 1,614,229</u>

See notes to the financial statements.

Henrico County Court Appointed Special Advocates, Inc.

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Statement of Functional Expenses

For the Year Ended June 30, 2025

(With summarized financial information for the year ended June 30, 2024)

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>2025 Total</u>	<u>2024 Total</u>
Salaries	\$ 420,775	\$ 74,973	\$ 80,499	\$ 576,247	\$ 502,200
Payroll taxes	31,170	5,554	5,963	42,687	37,044
Benefits	<u>22,405</u>	<u>3,992</u>	<u>4,286</u>	<u>30,683</u>	<u>30,201</u>
Total salaries and benefits	474,350	84,519	90,748	649,617	569,445
Supplies and communications	3,552	633	679	4,864	4,632
Postage and shipping	515	92	98	705	1,382
Printing and promotion	3,170	-	-	3,170	4,168
Professional fees	-	6,157	-	6,157	11,229
Travel	995	-	-	995	373
Education and outreach	78,964	-	-	78,964	54,432
Donated facilities	41,128	-	-	41,128	41,128
Insurance	-	1,179	-	1,179	765
Special events in-kind	105,000	-	5,350	110,350	106,500
Special events	-	-	8,232	8,232	16,733
Miscellaneous	1,016	-	-	1,016	-
Depreciation	<u>5,227</u>	<u>-</u>	<u>-</u>	<u>5,227</u>	<u>5,101</u>
Total expenses	<u>\$ 713,917</u>	<u>\$ 92,580</u>	<u>\$ 105,107</u>	<u>\$ 911,604</u>	<u>\$ 815,888</u>

See notes to the financial statements.

Henrico County Court Appointed Special Advocates, Inc.

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Statement of Cash Flows

For the Year Ended June 30, 2025

(With comparative financial information for the year ended June 30, 2024)

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities		
Change in net assets	\$ 379,322	\$ 245,084
Adjustments to reconcile change in net assets to net cash(used in) provided by operating activities:		
Depreciation	5,227	5,101
Unrealized (gains) losses on investments	(40,962)	(68,060)
Realized (gains) losses on sale of investments	(22,565)	5,135
Changes in operating assets and liabilities:		
(Increase) decrease in prepaid expenses	(1,090)	6,069
(Increase) decrease in grant and other receivables	(3,264)	(2,339)
Increase (decrease) in accounts payable	(17,960)	12,534
Increase (decrease) in deferred revenue	49,500	(35,000)
Net cash (used in) provided by operating activities	<u>348,208</u>	<u>168,524</u>
Cash flows from investing activities		
Purchase of equipment	(1,504)	-
Purchase of investments	(1,729,050)	(1,128,430)
Sales of investments	1,369,007	946,231
Net cash (used in) provided by investing activities	<u>(361,547)</u>	<u>(182,199)</u>
Net increase (decrease) in cash and cash equivalents	(13,339)	(13,675)
Cash and cash equivalents at beginning of year	<u>68,979</u>	<u>82,654</u>
Cash and cash equivalents at end of year	<u>\$ 55,640</u>	<u>\$ 68,979</u>
Supplemental disclosures of cash flow information		
Noncash transactions - donated services	\$ -	\$ -
Noncash transactions - donated equipment	-	-
Noncash transactions - donated special event costs	110,350	111,850
Noncash transactions - donated facilities	43,528	43,528
Total noncash transactions	<u>\$ 153,878</u>	<u>\$ 155,378</u>

See notes to the financial statements.

Henrico County Court Appointed Special Advocates, Inc.

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Notes to Financial Statements June 30, 2025

Note 1 – Nature of organization

The Henrico County Court Appointed Special Advocates, Inc. (Organization) is a non-stock corporation committed to advocating the best interests of children involved in the Juvenile and Domestic Relations District Court process. The CASA program recruits, trains, and supervises competent volunteers dedicated to representing the needs of abused and neglected children, as well as other children in juvenile dependency proceedings. The program promotes safe, permanent homes for children and seeks to educate the community concerning the needs of abused and neglected children. A significant level of annual financial support is provided through the government award programs which require CASA to adhere to certain compliance requirements.

Note 2 - Summary of significant accounting policies

Method of Accounting

The financial statements of Henrico County Court Appointed Special Advocates, Inc., have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of accounting and presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Under generally accepted accounting principles of the United States, 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.

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed stipulations, that can be fulfilled by the actions of the Organization pursuant to those stipulations or that expire by the passage of time. Net assets without donor restrictions are assets that are no subject to or are no longer subject to donor-imposed stipulations.

Estimates

The preparation of financial statements in conformity with U.S. 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.

Cash equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments originally purchased with a maturity of three months or less to be cash equivalents.

Property and equipment

Property and equipment is carried at cost and depreciated under the straight-line method over the estimated useful lives of the assets, ranging from five to seven years. The Organization capitalizes equipment purchased with a cost exceeding \$500. Any expenditures under \$500 are expensed as incurred. Donated equipment is recorded at fair market value.

**Notes to Financial Statements
June 30, 2025**

Note 2 - Summary of significant accounting policies (continued)

Investments

Investments are composed of debt and equity securities. Investments in marketable securities and in debt securities with readily determinable fair values are reported at their fair values in the statement of financial position. Fair values are based upon quoted market prices. Donated investments are recorded at fair value as of the date received by the Organization.

Contributions

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions, depending on the existence and/or nature of any donor restrictions. Donated contributions are recorded at the fair value on the date of the gift.

All donor-restricted support is reported as an increase to net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Donated services, equipment and facilities

Donated facilities, equipment, and/or services are included in contributions, at fair market value as of the date of donation.

The Organization's volunteers comprised of business professionals and others committed to the Organization's mission have made significant contributions of their time to the Organization's program and supporting services. The value of such volunteers' services has not been reflected in the accompanying financial statements as it does not meet the criteria for revenue recognition. Volunteers hours unrecorded in the financial statement amounted to approximately 10,275 for the year ended June 30, 2025. The Commonwealth of Virginia has valued the time contributed by the Organization to the State at approximately \$343,000. The Organization recognizes donated facilities as support. This support is based upon use of office space as provided to the Organization by the County of Henrico at no cost. The value is recorded as income and expense in the Statement of Activities. The value is based on the current rental value of office space and amounted to \$41,128 for the years ended June 30, 2025 and 2024.

Other donated services were recorded at fair market value totaled \$2,400 as of June 30, 2025 and 2024, respectively and are included in the Statement of Activities.

The Organization also held an event during 2025 and 2024 respectively, of which approximately a value of \$110,000 and \$112,000 of services was donated and this value was included in the financial statements.

Income taxes

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the internal Revenue Code respectively, and is not considered a private foundation within the meaning of section 509(a) of the code. In addition, Henrico County Court Appointed Special Advocates, Inc., qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation. The Organization's income tax returns are potentially subject to examination by the Internal Revenue Service generally for three years after being filed.

**Notes to Financial Statements
June 30, 2025**

Note 2 - Summary of significant accounting policies (concluded)

Deferred revenue

Sponsorships or grant income received for future periods are recognized ratably over the period to which they apply.

Functional expenses

The costs of providing the various programs and supporting activities have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, costs have been allocated among the program and supporting services benefitted. The expenses that are allocated are compensation and benefits, which are allocated on the basis of estimates of time and effort; occupancy costs, office supplies, and depreciation, which are allocated on an estimate of usage.

Reclassifications

Certain prior year balances may have been reclassified to conform to current year presentation.

Note 3 – Concentration of credit risk

Financial instruments that potentially subject the Organization to concentration of credit risk consist principally of cash and cash equivalents. Cash and cash equivalents are maintained in a financial institutions and are insured by the Federal Deposit Insurance Corporation up to \$250,000. Management believes there are no significant credit risks from receivables as they are primarily due from grant funding.

Note 4 – Investments

Investments as of June 30, 2025 and 2024 are as followed:

	<u>Cost</u>	<u>Fair Value</u>	2025 Unrealized Appreciation (Depreciation)
Bond funds	\$ 533 769	\$ 542 272	\$ 8 503
Money market funds	99 027	99 027	-
Exchange traded funds and other	428 928	472 176	43 248
Equity and mutual funds	<u>743 826</u>	<u>851 834</u>	<u>108 008</u>
	<u>\$ 1 805 580</u>	<u>\$ 1 965 309</u>	<u>\$ 159 759</u>
			2024 Unrealized Appreciation (Depreciation)
	<u>Cost</u>	<u>Fair Value</u>	<u>(Depreciation)</u>
Bond funds	\$ 817 001	\$ 820 160	\$ 3 159
Money market funds	43 629	43 629	-
Exchange traded funds and other	241 304	263 213	21 909
Equity funds	<u>369 988</u>	<u>414 735</u>	<u>44 747</u>
	<u>\$ 1 471 922</u>	<u>\$ 1 541 737</u>	<u>\$ 69 815</u>

**Notes to Financial Statements
June 30, 2025**

Note 4 – Investments (concluded)

Investment income included unrealized gains of \$68,060, realized losses of (\$5,135) and net investment income of \$39,068 as of June 30, 2024. Investment income included unrealized gains of \$68,060, realized losses of (\$5,135) and net investment income of \$39,068 as of June 30, 2024.

Note 5 – Net assets with restrictions

Net assets with restrictions are balances available for programs as designated by the donors for events or programs.

Total net assets released from restrictions totaled \$220,163 in 2024 related to purpose and time restrictions.

Note 6 - Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through August 7, 2025, the date the financial statements were issued.

Note 7 - Fair value measurements

The Organization records fair value adjustments to certain assets and liabilities to determine fair value disclosures. The fair value of certain assets and liabilities is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants.

Three levels of the fair value hierarchy are as follows:

Level 1 - Valuation is based on quoted price in active markets for identical assets and liabilities.

Level 2 - Valuation is based on observable inputs including quoted prices in active markets for similar assets and liabilities, quoted prices for identical or similar assets and liabilities in less active markets, and model-based valuation techniques for which significant assumptions can be derived primarily from or corroborated by observable data in the market.

Level 3 - Valuation is based on model-based techniques that use one or more significant inputs or assumptions that are unobservable in the market.

All investments and liabilities were measured at fair value by level one valuation, because they generally provide the most reliable evidence of fair value

**Notes to Financial Statements
June 30, 2025**

Note 8 - Retirement Plan

The Organization has a Simple IRA retirement plan, which covers all eligible employees. Contributions to the plan are based on 3% of eligible salaries. Contribution expense relating to the plan was \$12,848 in 2025.

Note 9 - Liquidity and Availability of Financial Assets

The Organization monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. The Organization has the following financial assets that could readily be made available within one year of the statement of financial position to fund expenses without limitations:

	<u>2025</u>	<u>2024</u>
Total financial assets (cash, receivables, investments)	\$ 2 058 718	\$1 645 219
Less those available for general expenditures within one year due to:		
Board designated reserves	<u>413 400</u>	<u>\$ 361 372</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1 645 318</u>	<u>\$1 283 847</u>

Note 10 - Related party

The Organization established as of May 23, 2022 a wholly owned subsidiary named Virginia CASA Services, LLC. The Organization is the initial member with an interest of 100%. There was no activity as of June 30, 2025. The purpose of the LLC is to serve the purchasing entity and to provide administrative services for health benefits offered to individuals employed by a CASA program in the Commonwealth of Virginia.