

CASTING FOR RECOVERY, INC.
AUDITED FINANCIAL STATEMENTS
December 31, 2019 and 2018



**CASTING FOR RECOVERY, INC.
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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Casting for Recovery, Inc.
Bozeman, MT

We have audited the accompanying financial statements of Casting for Recovery, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility 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; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Casting for Recovery, Inc., as of December 31, 2019 and 2018, 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.

Amatics CPA Group
Bozeman, Montana
March 10, 2020



**CASTING FOR RECOVERY, INC.
STATEMENTS OF FINANCIAL POSITION**

	December 31	
	2019	2018
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,426,344	\$ 1,108,555
Investments	699,828	607,667
Contributions receivable	24,889	3,966
Prepaid expenses	58,714	49,297
Total current assets	2,209,775	1,769,485
FIXED ASSETS		
Furniture and equipment	-	19,102
Less accumulated depreciation	-	15,675
Total fixed assets	-	3,427
Total assets	\$ 2,209,775	\$ 1,772,912
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 36,453	\$ 15,870
Payroll liabilities	32,934	8,744
Total current liabilities	69,387	24,614
NET ASSETS		
Without donor restrictions	357,406	14,494
With donor restrictions	1,782,982	1,733,804
Total net assets	2,140,388	1,748,298
Total liabilities and net assets	\$ 2,209,775	\$ 1,772,912

See the accompanying notes to financial statements.

CASTING FOR RECOVERY, INC.
STATEMENT OF ACTIVITIES
Year ended December 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Totals</u>
REVENUE AND SUPPORT			
Contributions	\$ 710,899	\$ 558,135	\$ 1,269,034
Event income	181,009	320,746	501,755
In-kind support	2,003	-	2,003
Sales of branded items	24,604	3,390	27,994
Investment return, net	84,206	-	84,206
Other income	77,838	-	77,838
Satisfaction of program restrictions	<u>833,093</u>	<u>(833,093)</u>	<u>-</u>
Total revenue and support	<u>1,913,652</u>	<u>49,178</u>	<u>1,962,830</u>
EXPENSES			
Program services	1,234,960	-	1,234,960
Administration	109,251	-	109,251
Fundraising	<u>226,529</u>	<u>-</u>	<u>226,529</u>
Total expenses	<u>1,570,740</u>	<u>-</u>	<u>1,570,740</u>
CHANGE IN NET ASSETS			
	342,912	49,178	392,090
Net assets at beginning of year	<u>14,494</u>	<u>1,733,804</u>	<u>1,748,298</u>
NET ASSETS AT END OF YEAR	<u>\$ 357,406</u>	<u>\$ 1,782,982</u>	<u>\$ 2,140,388</u>

See the accompanying notes to financial statements.

CASTING FOR RECOVERY, INC.
STATEMENT OF ACTIVITIES
Year ended December 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Totals
REVENUE AND SUPPORT			
Contributions	\$ 509,981	\$ 512,475	\$ 1,022,456
Event income	183,158	383,362	566,520
In-kind support	8,266	2,356	10,622
Sales of branded items	30,057	5,160	35,217
Investment return, net	(4,486)	-	(4,486)
Other income	11,923	15,299	27,222
Satisfaction of program restrictions	<u>280,091</u>	<u>(280,091)</u>	<u>-</u>
Total revenue and support	<u>1,018,990</u>	<u>638,561</u>	<u>1,657,551</u>
EXPENSES			
Program services	1,377,823	-	1,377,823
Administration	110,305	-	110,305
Fundraising	<u>155,391</u>	<u>-</u>	<u>155,391</u>
Total expenses	<u>1,643,519</u>	<u>-</u>	<u>1,643,519</u>
CHANGE IN NET ASSETS	(624,529)	638,561	14,032
Net assets at beginning of year	<u>639,023</u>	<u>1,095,243</u>	<u>1,734,266</u>
NET ASSETS AT END OF YEAR	<u>\$ 14,494</u>	<u>\$ 1,733,804</u>	<u>\$ 1,748,298</u>

See the accompanying notes to financial statements.

CASTING FOR RECOVERY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2019

	<u>Program</u>	<u>Administration</u>	<u>Fundraising</u>	<u>Total</u>
Accounting	\$ 10,449	\$ 11,972	\$ 2,071	\$ 24,492
Alumni/volunteer recognition	7,651	1,299	1,299	10,249
Bank fees	3,789	5,272	5,272	14,333
Contracted services	19,990	16,526	16,526	53,042
Equipment management	16,296	-	-	16,296
Filing fees	7,817	-	-	7,817
Health insurance	35,181	3,272	6,971	45,424
Insurance	14,406	1,787	1,227	17,420
Lodging and meals (retreats)	416,457	-	-	416,457
Media and outreach	10,141	-	10,143	20,284
Meetings and events	45,677	9,076	62,329	117,082
Miscellaneous	2,654	247	526	3,427
Office expenses	27,502	427	911	28,840
Payroll taxes	32,028	2,979	6,347	41,354
Postage and shipping	23,902	1,406	2,812	28,120
Premiums/merchandise	42,222	-	10,555	52,777
Printing	14,070	1,655	828	16,553
Rent	23,784	2,212	4,713	30,709
Salaries and wages	452,725	42,111	89,714	584,550
Staff training	3,727	-	-	3,727
Telephone	7,662	713	1,519	9,894
Travel	16,594	8,297	2,766	27,657
Website development	236	-	-	236
	<u>\$ 1,234,960</u>	<u>\$ 109,251</u>	<u>\$ 226,529</u>	<u>\$ 1,570,740</u>

See the accompanying notes to financial statements.

CASTING FOR RECOVERY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2018

	<u>Program</u>	<u>Administration</u>	<u>Fundraising</u>	<u>Total</u>
Accounting	\$ 26,402	\$ 2,538	\$ 2,550	\$ 31,490
Alumni/volunteer recognition	7,721	-	-	7,721
Bank fees	24,335	3,042	3,042	30,419
Contracted services	25,338	8,446	8,446	42,230
Depreciation	-	1,103	-	1,103
Equipment management	34,705	-	-	34,705
Filing fees	8,260	-	-	8,260
Health insurance	72,939	7,013	7,044	86,996
Insurance	14,660	1,409	1,416	17,485
Lodging and meals (retreats)	379,629	-	-	379,629
Media and outreach	8,455	-	8,456	16,911
Meetings and events	69,764	7,395	55,707	132,866
Office expenses	36,411	4,535	4,535	45,481
Payroll taxes	38,680	3,719	3,736	46,135
Postage and shipping	28,877	3,393	1,696	33,966
Premiums/merchandise	48,408	6,051	6,051	60,510
Printing	14,170	1,660	830	16,660
Rent	23,530	2,262	2,272	28,064
Salaries and wages	466,910	44,891	45,094	556,895
Staff training	13,547	-	-	13,547
Telephone	3,625	349	350	4,324
Travel	24,999	12,499	4,166	41,664
Website design/maintenance	6,458	-	-	6,458
	<u>\$ 1,377,823</u>	<u>\$ 110,305</u>	<u>\$ 155,391</u>	<u>\$ 1,643,519</u>

See the accompanying notes to financial statements.

**CASTING FOR RECOVERY, INC.
STATEMENTS OF CASH FLOWS**

	Years ended December 31	
	2019	2018
CASH FLOW FROM OPERATING ACTIVITIES		
Cash receipts from donors	\$ 1,248,111	\$ 1,018,490
Other cash receipts	616,135	631,510
Payments for salaries and related costs	(560,360)	(600,973)
Payments to vendors	<u>(973,021)</u>	<u>(1,045,336)</u>
Net cash provided by operating activities	<u>330,865</u>	<u>3,691</u>
CASH FLOWS USED BY INVESTING ACTIVITIES		
Purchase of investments	<u>(13,076)</u>	<u>(291,506)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	317,789	(287,815)
Cash and cash equivalents at beginning of year	<u>1,108,555</u>	<u>1,396,370</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,426,344</u>	<u>\$ 1,108,555</u>

See the accompanying notes to financial statements.

CASTING FOR RECOVERY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Operations

Casting for Recovery, Inc. is a not-for-profit organization formed to provide women with breast cancer the opportunity to experience physical, emotional, and spiritual healing through fly fishing retreats in a natural setting. The major source of funding for the organization are contributions from private foundations, corporations, and individuals.

Basis of Presentation

The financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP) applicable to nonprofit organizations, as codified by the Financial Accounting Standards Board

Use of Estimates

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

Income Taxes

Casting for Recovery, Inc. is not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, and therefore no provision for federal income taxes has been included in the accompanying financial statements. Casting for Recovery, Inc. has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(a)(vi). The Organization's information returns (Form 990) are open to examination by the IRS, generally, for three years after they were filed or the due date of the return, whichever is later.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Organization maintains its cash in banks deposit accounts, which at times may exceed federally insured limits.

Fixed Assets

Purchased assets are recorded at historical cost. Donations of property and equipment are recorded as support at their estimated fair value at the time such assets are received. Purchases or donations over \$2,500 and with a useful life of more than one year are capitalized. Depreciation of equipment is provided over the estimated useful lives of the respective assets on a straight-line basis (furniture and fixtures, office equipment 5-7 years).

Functional 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. The expenses that are allocated include salaries and wages and related expenses, which are allocated on the basis of employees' time and effort.

CASTING FOR RECOVERY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

Contributions, including unconditional promises to give, are recognized as revenues in the period cash or assets are transferred or pledges are received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value at date of receipt. Contributions receivable are all collectible within one year after year end. Management considers all pledges to be fully collectible; therefore, no allowance has been recorded.

Classification and Reporting of Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. All net assets with donor restrictions are restricted for programs and retreats. Donor-imposed restrictions are released once the stipulated purpose for which the resource was restricted has been fulfilled.

In-Kind Support

The Organization records in-kind support that meets the criteria for revenue recognition under GAAP. Contributed professional services are recognized 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 support are offset by corresponding amounts reflected in expenses or assets.

Fair Value

In accordance with GAAP, the framework for measuring fair value provides 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) and the lowest priority to unobservable inputs (Level 3). GAAP defines fair value, establishes a framework for measuring fair value, and enhances disclosures about fair value measurements. Fair value is defined under GAAP as the exchange price that would be received for an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value under GAAP must maximize the use of observable inputs and minimize the use of unobservable inputs.

GAAP describes a fair value hierarchy based on three levels of inputs of which the first two are considered observable and the last unobservable that may be used to measure fair value.

CASTING FOR RECOVERY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value (Continued)

Level 1 – Quoted market prices in active markets for identical assets or liabilities.

Level 2 – Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full-term of the assets or liabilities.

Level 3 – Unobservable inputs for the asset or liability. Unobservable inputs shall be used to measure fair value to the extent that the observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

The asset or liability's fair value measurement within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Marketable securities (mutual funds, corporate bonds, corporate stocks) are valued at the quoted market prices for those securities. There have been no changes in the methodologies used at December 31, 2019 and 2018.

Changes in Accounting Principle

In 2019, the Organization adopted the new accounting standards related to accounting for revenue and contracts with customers: FASB Accounting Standards Updates (ASU) 2014-09 *Revenue from Contracts with Customers* and 2018-08 *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*.

The Organization's revenue is primarily derived from contributions; the Organization has implemented the provisions of ASU 2018-08 applicable to contributions received in the accompanying financial statements under a modified prospective basis. The adoption of these standards did not have a significant impact on the financial statements.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

CASTING FOR RECOVERY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

2. LIQUIDITY AND AVAILABILITY

The Organization is substantially supported by donor-restricted contributions. Because a donor's restriction requires resources to be used in a specific manner or in a future period, the Organization must maintain sufficient resources to meet its responsibilities to its donors. Thus, financial assets may not be available for general expenditures within one year of December 31, 2019. The following reflects the Organization's financial assets as of year end, reduced by amounts not available for general use because of donor-imposed restrictions. Amounts not available include the restricted funds designated by the donor and board designated funds. Additionally, in 2020, the Organization anticipates collecting allocations from local chapters to the national program to cover general expenditures not covered by donor-restricted resources.

Financial assets			
Cash and cash equivalents	\$	1,426,344	
Investments		699,828	
Contributions receivable		<u>24,889</u>	
			\$ 2,151,061
Unavailable for general expenditures within one year			
Donor restricted funds		(1,782,982)	
Board designated for underperforming programs		<u>(8,728)</u>	
			(1,791,710)
Anticipated 2020 National Program allocations			<u>213,900</u>
Total financial resources available for general expenditure	\$		<u><u>573,251</u></u>

3. CASH AND CASH EQUIVALENTS

At December 31, 2019 and 2018, the Organization's cash and cash equivalents balances were as follows:

	<u>2019</u>	<u>2018</u>
Checking accounts	\$ 832,086	\$ 517,493
Saving accounts	593,811	588,690
Petty cash on hand	<u>447</u>	<u>2,372</u>
	<u>\$ 1,426,344</u>	<u>\$ 1,108,555</u>

Account balances held in financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank, per depositor. The Organization's cash in bank deposit accounts may, at time, exceed federally insured limits. The Organization has not experienced any losses on such accounts. As of December 31, 2019 and 2018, funds exceeded federally insured limits by \$1,185,257 and \$856,183, respectively.

CASTING FOR RECOVERY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

4. INVESTMENTS

Investment holdings as of December 31 consisted of the following:

	Fair Value (Level 1)	
	2019	2018
Mutual funds - equity	\$ 568,230	\$ 496,444
Mutual funds - fixed income	93,019	82,674
Corporate bonds	14,106	12,019
Corporate stocks	24,473	16,530
Total investments	\$ 699,828	\$ 607,667

5. IN-KIND CONTRIBUTIONS

The Organization records various types of in-kind support including equipment and supplies. The fair value of donated goods and services included in contributions in the financial statements for the year ended December 31, 2019 are as follows:

	Program	Administration	Total
Accounting	-	800	800
Office expenses	379	-	379
Postage and shipping	25	-	25
Premiums/merchandise	799	-	799
	\$ 1,203	\$ 800	\$ 2,003

The fair value of donated goods and services included in contributions in the financial statements for the year ended December 31, 2018 are as follows:

	Program	Administration	Total
Conferences and events	\$ -	\$ 969	\$ 969
Equipment management	7,969	-	7,969
Office expenses	945	-	945
Postage and shipping	105	-	105
Premiums/merchandise	10	-	10
Travel	624	-	624
	\$ 9,653	\$ 969	\$ 10,622

CASTING FOR RECOVERY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

6. OPERATING LEASE

In 2017, the Organization entered into a three year lease for office space for \$2,169 per month. The term of the lease goes through April 2020. Rent expense for the years ended December 31, 2019 and 2018, was \$30,709 and \$28,064, respectively. The following future minimum payments are required under the lease: \$8,971 in 2020.

7. SUBSEQUENT EVENTS

Date of Management Evaluation

Management has evaluated subsequent events through March 10, 2020, the date on which the financial statements were available to be issued.