

CASTING FOR RECOVERY, INC.
AUDITED FINANCIAL STATEMENTS
December 31, 2020 and 2019



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

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

Opinion

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, 2020 and 2019, 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 Casting for Recovery, Inc., as of December 31, 2020 and 2019, 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 Casting for Recovery, 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 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.

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 Casting for Recovery, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibility 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.



Auditors' Responsibility for the Audit of the Financial Statements (Continued)

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 Casting for Recovery, 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 Casting for Recovery, 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.

Amatics CPA Group

Bozeman, Montana

April 16, 2021

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

	December 31	
	2020	2019
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,879,112	\$ 1,426,344
Investments	777,278	699,828
Contributions receivable	19,440	24,889
Prepaid expenses	73,632	58,714
Total assets	\$ 2,749,462	\$ 2,209,775
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 8,758	\$ 36,453
Payroll liabilities	41,086	32,934
Total current liabilities	49,844	69,387
NET ASSETS		
Without donor restrictions	690,025	357,406
With donor restrictions	2,009,593	1,782,982
Total net assets	2,699,618	2,140,388
Total liabilities and net assets	\$ 2,749,462	\$ 2,209,775

See the accompanying notes to financial statements.

CASTING FOR RECOVERY, INC.
STATEMENT OF ACTIVITIES
Year ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Totals
REVENUE AND SUPPORT			
Contributions	\$ 461,887	\$ 459,025	\$ 920,912
Event income	168,410	73,208	241,618
In-kind support	800	-	800
Sales of branded items	21,109	3,070	24,179
Investment return, net	49,789	-	49,789
COVID and PPP grants	295,118	-	295,118
Satisfaction of program restrictions	<u>308,692</u>	<u>(308,692)</u>	<u>-</u>
Total revenue and support	<u>1,305,805</u>	<u>226,611</u>	<u>1,532,416</u>
EXPENSES			
Program services	694,321	-	694,321
Administration	88,733	-	88,733
Fundraising	<u>190,132</u>	<u>-</u>	<u>190,132</u>
Total expenses	<u>973,186</u>	<u>-</u>	<u>973,186</u>
CHANGE IN NET ASSETS	332,619	226,611	559,230
Net assets at beginning of year	<u>357,406</u>	<u>1,782,982</u>	<u>2,140,388</u>
NET ASSETS AT END OF YEAR	<u>\$ 690,025</u>	<u>\$ 2,009,593</u>	<u>\$ 2,699,618</u>

See the accompanying notes to financial statements.

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

	Without Donor Restrictions	With Donor Restrictions	Totals
REVENUE AND SUPPORT			
Contributions	\$ 788,737	\$ 558,135	\$ 1,346,872
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
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 FUNCTIONAL EXPENSES
Year Ended December 31, 2020

	<u>Program</u>	<u>Administration</u>	<u>Fundraising</u>	<u>Total</u>
Accounting and legal	\$ 3,382	\$ 11,188	\$ 697	\$ 15,267
Alumni/volunteer recognition	3,290	818	818	4,926
Bank fees	1,541	3,065	3,065	7,671
Contracted services	273	31	56	360
Equipment management	290	-	-	290
Filing fees	8,271	-	-	8,271
Health insurance	36,380	4,168	7,492	48,040
Insurance	10,937	1,955	1,172	14,064
Lodging and meals (retreats)	1,953	-	-	1,953
Media and outreach	8,951	-	8,950	17,901
Meetings and events	10,602	347	45,505	56,454
Office expenses	11,098	548	986	12,632
Payroll taxes	37,217	4,263	7,664	49,144
Postage and shipping	8,468	498	996	9,962
Premiums/merchandise	25,954	-	6,489	32,443
Printing	6,010	707	354	7,071
Rent	20,860	2,389	4,295	27,544
Salaries and wages	480,543	55,049	98,958	634,550
Staff training	2,086	-	-	2,086
Telephone	8,343	956	1,718	11,017
Travel	5,501	2,751	917	9,169
Website development	2,371	-	-	2,371
	<u>\$ 694,321</u>	<u>\$ 88,733</u>	<u>\$ 190,132</u>	<u>\$ 973,186</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 and legal	\$ 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 design/maintenance	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.
STATEMENTS OF CASH FLOWS**

	Years ended December 31	
	2020	2019
CASH FLOW FROM OPERATING ACTIVITIES		
Cash receipts from donors	\$ 926,361	\$ 1,248,111
Other cash receipts	570,995	616,135
Payments for salaries and related costs	(723,582)	(560,360)
Payments to vendors	<u>(283,265)</u>	<u>(973,021)</u>
Net cash provided by operating activities	490,509	330,865
CASH FLOWS USED BY INVESTING ACTIVITIES		
Purchase of investments	<u>(37,741)</u>	<u>(13,076)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	452,768	317,789
Cash and cash equivalents at beginning of year	<u>1,426,344</u>	<u>1,108,555</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,879,112</u>	<u>\$ 1,426,344</u>

See the accompanying notes to financial statements.

CASTING FOR RECOVERY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

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 bank 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, 2020 and 2019

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.

Board Designations of Net Assets Without Donor Restrictions

The Board of Trustees designated \$8,278 from net assets without donor restrictions for underperforming retreats as of December 31, 2019. There were no such net assets designated by the Board of Trustees as of December 31, 2020.

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.

CASTING FOR RECOVERY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value (Continued)

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.

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, 2020 and 2019.

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.

2. CASH AND CASH EQUIVALENTS

At December 31, 2020 and 2019, the Organization's cash and cash equivalents balances were as follows:

	<u>2020</u>	<u>2019</u>
Checking accounts	\$ 1,277,602	\$ 832,086
Saving accounts	599,119	593,811
Paypal account	<u>2,391</u>	<u>447</u>
	<u>\$ 1,879,112</u>	<u>\$ 1,426,344</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, 2020 and 2019, funds exceeded federally insured limits by \$1,590,572 and \$1,185,257, respectively.

CASTING FOR RECOVERY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

3. INVESTMENTS

Investment holdings as of December 31 consisted of the following:

	Fair Value (Level 1)	
	2020	2019
Mutual funds - equity	\$ 624,543	\$ 568,230
Mutual funds - fixed income	101,506	93,019
Corporate bonds	15,652	14,106
Corporate stocks	35,577	24,473
Total investments	\$ 777,278	\$ 699,828

4. 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, 2020. The following reflects the Organization's financial assets as of December 31, 2020 and 2019, 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, the Organization has included the upcoming year's allocations anticipated to be collected from local programs in the calculation of total financial resources available to cover upcoming general expenditures not covered by donor-restricted resources.

	2020	2019
Financial assets		
Cash and cash equivalents	\$ 1,879,112	\$ 1,426,344
Investments	777,278	699,828
Contributions receivable	19,440	24,889
	2,675,830	2,151,061
Unavailable for general expenditures within one year		
Donor restricted funds	(2,009,593)	(1,782,982)
Board designated for underperforming programs	-	(8,728)
	(2,009,593)	(1,791,710)
Anticipated upcoming National Program allocations	207,600	213,900
Total financial resources available for general expenditure	\$ 873,837	\$ 573,251

CASTING FOR RECOVERY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

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, 2020 are as follows:

	Administration	Total
Accounting	\$ 800	\$ 800

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

6. OPERATING LEASE

In 2017, the Organization entered into a lease for office space. The lease was renewed in May 2020 for an additional three years, with an option to renew for another three year term. Rent expense for the years ended December 31, 2020 and 2019, was \$27,544 and \$30,709, respectively. The following is a schedule of future minimum payments required under the lease:

Years ending December 31:		
2021	\$	28,660
2022		29,519
2023		17,549
		\$ 75,728

7. PAYCHECK PROTECTION PROGRAM LOAN

In April 2020, the Organization was granted a \$135,118 loan under the Paycheck Protection Program (PPP) administered by a Small Business Administration (SBA) approved partner. The loan was uncollateralized and fully guaranteed by the Federal government. The Organization has accounted for the PPP funding as a conditional contribution in the financial statements. The loan was fully forgiven in December 2020 and the loan forgiveness is included in 2020 revenue and support.

8. SUBSEQUENT EVENTS

Date of Management Evaluation

Management has evaluated subsequent events through April 16, 2021, the date on which the financial statements were available to be issued.