

**Collaborative for Academic, Social
and Emotional Learning (CASEL)**

Independent Auditor's Report and Financial Statements

June 30, 2020 and 2019

**Collaborative for Academic, Social, and
Emotional Learning (CASEL)**

June 30, 2020 and 2019

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Independent Auditor's Report

Board of Directors
Collaborative for Academic, Social,
and Emotional Learning (CASEL)
Chicago, Illinois

Report on Financial Statements

We have audited the accompanying financial statements of Collaborative for Academic, Social, and Emotional Learning (CASEL), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year 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.

Auditor's 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 auditor's 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 entity'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 entity'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.

Board of Directors
Collaborative for Academic, Social,
and Emotional Learning (CASEL)
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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Collaborative for Academic, Social, and Emotional Learning (CASEL) as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited CASEL's 2019 financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 2, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited statements from which it has been derived.

BKD, LLP

Oakbrook Terrace, Illinois
December 7, 2020

Collaborative for Academic, Social, and Emotional Learning (CASEL)

Statements of Financial Position

June 30, 2020 and 2019

Assets

	2020	2019
Cash and cash equivalents	\$ 8,145,272	\$ 6,373,443
Accounts receivable	626,243	665,288
Deposits	86,405	180,000
Property and equipment, net	-	28,066
	\$ 8,857,920	\$ 7,246,797

Liabilities and Net Assets

Liabilities

Accounts payable and other liabilities	\$ 902,265	\$ 853,851
Deferred revenue		
Program revenue	149,167	350,000
SEL Exchange	285,000	1,571,725
Note payable	824,000	-
	2,160,432	2,775,576

Net Assets

Without donor restrictions	3,410,265	2,557,460
With donor restrictions	3,287,223	1,913,761
	6,697,488	4,471,221
Total net assets	6,697,488	4,471,221
Total liabilities and net assets	\$ 8,857,920	\$ 7,246,797

**Collaborative for Academic, Social, and
Emotional Learning (CASEL)**
Statements of Activities and Changes in Net Assets
Year Ended June 30, 2020 (With Comparative Totals for 2019)

	2020			2019
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenues and Other Support				
Contributions	\$ 1,710,569	\$ 6,416,749	\$ 8,127,318	\$ 6,988,563
Government grants	3,311	-	3,311	42,218
Donated services/materials	35,606	-	35,606	62,576
Program revenue	2,290,554	-	2,290,554	2,546,866
SEL Exchange	2,037,222	-	2,037,222	-
Investment income	68,944	-	68,944	22,192
Net assets released from restrictions	5,043,287	(5,043,287)	-	-
 Total revenues and other support	 11,189,493	 1,373,462	 12,562,955	 9,662,415
Expenses				
Program services	8,233,479	-	8,233,479	7,437,586
Management and general	1,817,039	-	1,817,039	2,278,174
Fundraising	286,170	-	286,170	266,338
 Total expenses	 10,336,688	 -	 10,336,688	 9,982,098
 Increase (Decrease) in Net Assets	 852,805	 1,373,462	 2,226,267	 (319,683)
 Net Assets, Beginning of Year	 2,557,460	 1,913,761	 4,471,221	 4,790,904
 Net Assets, End of Year	 <u>\$ 3,410,265</u>	 <u>\$ 3,287,223</u>	 <u>\$ 6,697,488</u>	 <u>\$ 4,471,221</u>

**Collaborative for Academic, Social, and
Emotional Learning (CASEL)
Statements of Functional Expenses
Year Ended June 30, 2020 (With Comparative Totals for 2019)**

	2020							2019
	Program Services				Management and General	Fund Raising	Total	Total
	Practice and External Affairs	Research	SEL Exchange	Total				
Contractors	\$ 1,144,924	\$ 532,647	\$ 617,223	\$ 2,294,794	\$ 280,663	\$ -	\$ 2,575,457	\$ 3,338,785
Office equipment expenses	4,088	623	-	4,711	1,546	-	6,257	23,688
Insurance	902	-	-	902	7,734	-	8,636	7,603
IT services	66,530	10,143	-	76,673	25,170	-	101,843	109,036
Legal and audit	-	-	-	-	91,933	-	91,933	78,043
Materials and supplies	46,173	8,339	-	54,512	36,783	158	91,453	94,149
Meetings	457,603	21,965	1,026,019	1,505,587	10,533	-	1,516,120	448,126
Miscellaneous	1,907	74	5,939	7,920	24,130	646	32,696	11,818
Rent	117,028	14,628	1,330	132,986	42,482	9,235	184,703	167,189
Payroll and employee benefits	3,190,899	591,099	28,954	3,810,952	1,184,991	267,410	5,263,353	4,650,604
Repairs and maintenance	-	-	-	-	4,944	-	4,944	36,862
Shipping and postage	949	-	881	1,830	3,049	-	4,879	5,439
Software expense	32,078	-	79	32,157	43,161	6,118	81,436	78,410
Staff development	5,324	195	594	6,113	23,751	-	29,864	34,832
Telecommunications	21,268	3,242	-	24,510	19,580	248	44,338	39,159
Travel	230,613	20,468	2,568	253,649	7,994	953	262,596	808,045
Utilities	5,752	719	65	6,536	1,578	-	8,114	8,338
Total expenses before depreciation and amortization	5,326,038	1,204,142	1,683,652	8,213,832	1,810,022	284,768	10,308,622	9,940,126
Depreciation and amortization	17,289	2,162	196	19,647	7,017	1,402	28,066	41,972
Total functional expenses	\$ 5,343,327	\$ 1,206,304	\$ 1,683,848	\$ 8,233,479	\$ 1,817,039	\$ 286,170	\$ 10,336,688	\$ 9,982,098

Collaborative for Academic, Social, and Emotional Learning (CASEL)

Statements of Cash Flows Years Ended June 30, 2020 and 2019

	2020	2019
Operating Activities		
Change in net assets	\$ 2,226,267	\$ (319,683)
Items not requiring cash		
Depreciation and amortization	28,066	41,972
Changes in		
Accounts receivable	39,045	(239,380)
Deposits	93,595	(180,000)
Accounts payable and other liabilities	48,414	41,868
Deferred revenue	(1,487,558)	1,875,892
Net cash provided by operating activities	947,829	1,220,669
Investing Activities		
Purchases of property and equipment	-	(48,000)
Financing Activities		
Proceeds from issuance of note payable	824,000	-
Net Increase in Cash and Cash Equivalents	1,771,829	1,172,669
Cash and Cash Equivalents, Beginning of Year	6,373,443	5,200,774
Cash and Cash Equivalents, End of Year	\$ 8,145,272	\$ 6,373,443
Supplemental Noncash Operating Activities		
Donated services and materials	\$ 35,606	\$ 62,576

Collaborative for Academic, Social, and Emotional Learning (CASEL)

Notes to Financial Statements

June 30, 2020 and 2019

Note 1: Organization

History

In 1994, a group of researchers, educators, child advocates and philanthropists founded an organization now known as the Collaborative for Academic, Social, and Emotional Learning, more commonly referred to as CASEL (Organization). In 1996, CASEL became based at the University of Illinois at Chicago (UIC). As an organization based at the UIC, CASEL conducted research and also translated science into forms that educators and others can apply to the context of schools so that children can receive the maximum benefit from scientific understanding and new knowledge.

As the leaders of CASEL looked towards its future, they determined that in order to endure the sustainability and momentum of the synergies it had built in the areas of research and education and by way of its collaborations with a wide variety of organizations, there was a need to establish an organization associated with, but governed separately from, the UIC. Consequently, it was incorporated as a 501(c)(3) organization that could accomplish CASEL's overall mission in 2006.

Nature of Activities

The Collaborative for Academic, Social, and Emotional Learning is the world's leading organization advancing one of the most important fields in education: systemic academic, social and emotional learning for all children in preschool through high school.

CASEL provides a unique combination of research, practice and policy to support high-quality social and emotional learning in districts and schools nationwide. Leaders of the Chicago-based nonprofit organization catalyzed the collaboration that defined the field 25 years ago.

Our mission is ambitious: to help make evidence-based social and emotional learning (SEL) an integral part of education from preschool through high school.

As a thought leader, field builder and advocate, CASEL spans three worlds:

- Research to build the evidence base by developing, synthesizing and disseminating evidence that documents the impact of social and emotional learning.
- Practice to demonstrate and codify what is possible in classrooms, schools, districts and communities that prioritize SEL — including our work with partner districts impacting 1.7 million students in 20 districts across 3,000 schools. Our work focuses on implementing, refining and demonstrating high-quality SEL in school districts and creating scalable tools and resources.
- Policy to help pave the way for SEL practices that are scalable and sustainable, setting a new standard for high-quality education in the United States. Through collaborating with states and informing federal policy efforts, CASEL is helping create the conditions for success.

Collaborative for Academic, Social, and Emotional Learning (CASEL)

Notes to Financial Statements

June 30, 2020 and 2019

CASEL's 2019-2021 Strategic Plan facilitates and promotes the continued adoption and implementation of systemic, high-quality, integrated social, emotional and academic learning. The Plan focuses on three core strategies, with accompanying goals and key activities to help many more schools, districts and states implement high-quality SEL practices and policies.

- Learn, combining the wisdom of leading scientists, practitioners and policy makers
- Support, broadly sharing this know-how through enhanced, practical, how-to tools and trainings
- Communicate, both to build broader understanding and support for our work and raise awareness about our practical resources.

With our growing number of partners, we are creating a more well-rounded, coherent and comprehensive approach to education, one that will lead to a more equitable, just and productive society.

Across research, practice and policy, collaboration is at the root of what we do and how we do it. Through collaboration, CASEL leverages collective expertise and experiences to achieve ambitious goals and maximize impact for students.

Note 2: Summary of Significant Accounting Policies

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Basis of Presentation and Net Assets

The financial statements of CASEL follow the recommendations of the Financial Accounting Standards Board and have been prepared in accordance with accounting principles generally accepted in the United States of America. CASEL presents its net assets based on the existence or absence of donor- or grantor-imposed restrictions. Net assets without donor restrictions are available for use in general operations and are not subject to donor or certain grantor restrictions. Net assets with donor restrictions are subject to donor or grantor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor.

Contributions and Adoption of Accounting Standards Update (ASU) 2018-08

Contributions are provided to CASEL either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions.

Collaborative for Academic, Social, and Emotional Learning (CASEL)

Notes to Financial Statements

June 30, 2020 and 2019

The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
<i>Conditional gifts, with or without restriction</i>	
Gifts that depend on CASEL overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, <i>i.e.</i> , the donor-imposed barrier is met
<i>Unconditional gifts, with or without restriction</i>	
Received at date of gift - cash and other assets	Fair value
Received at date of gift - property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

Donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a donor-stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

Conditional contributions having donor stipulations which are satisfied in the period the gift is received are recorded as revenue with donor restrictions and then released from restriction.

In 2020, CASEL adopted ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This new guidance clarifies the definition of an exchange transaction. The criteria for evaluating whether contributions are unconditional (and thus recognized immediately as revenue) or conditional (for which revenue recognition is deferred) have been clarified. The focus is whether a gift or grant agreement both (1) specifies a “barrier or hurdle” that the recipient must overcome to be entitled to the resources and (2) releases the donor from its obligation to transfer resources if the barrier or hurdle is not achieved. An agreement that includes both is a conditional contribution.

Collaborative for Academic, Social, and Emotional Learning (CASEL)

Notes to Financial Statements June 30, 2020 and 2019

CASEL adopted this standard on July 1, 2019. Adoption of ASU 2018-08 did not result in any changes to the presentation of the financial statements or disclosures in the notes to the financial statements. The adoption of this standard also did not result in any changes to previously reported net assets or changes in net assets.

Government Grants

Support funded by grants is recognized as the Organization performs the contracted services or incurs outlays eligible for reimbursement under the grant agreements. Grant activities and outlays are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

Donated Services

Donated services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills and would need to be purchased if not provided by donation. Donated services for the years ended June 30, 2020 and 2019, are \$35,606 and \$45,518, respectively. CASEL also receives the benefit of certain services donated by volunteers in carrying out the Organization's mission. For the years ended June 30, 2020 and 2019, these in-kind contributions are not reflected in the financial statements because they do not meet the criteria for recognition.

Donated Materials

UIC contributed the use of certain office furniture to the Organization. CASEL has recorded an amount as an in-kind contribution and office equipment expense based upon the estimated fair value of the furniture amortized over its useful life. For the years ended June 30, 2020 and 2019, the value of this contribution was \$0 and \$17,058, respectively.

Program Revenue

Program revenue received in advance is deferred and is recognized when earned, which is generally upon performance of SEL contracts with districts and schools.

SEL Exchange Revenue

Registration fees and sponsorships from the SEL Exchange are recognized as revenue at the conclusion of the annual event, which is held in October.

Cash and Cash Equivalents

CASEL considers all liquid investments with original maturities of three months or less to be cash equivalents. At June 30, 2020 and 2019, cash and cash equivalents consisted primarily of checking and money market funds.

Collaborative for Academic, Social, and Emotional Learning (CASEL)

Notes to Financial Statements

June 30, 2020 and 2019

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through an allowance for bad debt expense based on its assessment of the current status of individual receivables from grants, contracts and others. It is CASEL's policy to charge-off uncollectible accounts receivable when management determines the receivable will not be collected. No allowance for doubtful accounts is considered necessary at June 30, 2020 and 2019.

Property and Equipment

Property and equipment are recorded at cost or estimated fair value if donated. The capitalization policy is set at \$3,000. Depreciation and amortization is charged to expense using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized over the shorter of their useful life or remaining lease term. Estimated useful lives of property and equipment are as follows:

Furnishings and equipment	5 - 7 years
Software	3 - 5 years
Leasehold improvements	3 years

Paycheck Protection Program (PPP) Loan

CASEL received a PPP loan established by the CARES Act and has elected to account for the funding as a loan in accordance with Accounting Standards Codification (ASC) Topic 470, *Debt*. Interest is accrued in accordance with the loan agreement. Any forgiveness of the loan is recognized as a gain in the financial statements in the period the debt is legally released. PPP loans are subject to audit and acceptance by the U.S. Department of Treasury, Small Business Administration, or lender; as a result of such audit, adjustments could be required to any gain recognized.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statements of activities and changes in net assets. The statements of functional expenses present the natural classification of expenses by function. Certain costs have been allocated among the program, management and general and fundraising categories based on direct costs, management's estimate of usage and other methods.

Collaborative for Academic, Social, and Emotional Learning (CASEL)

Notes to Financial Statements

June 30, 2020 and 2019

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Prior Year Summarized Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset and functional expense classification. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with CASEL's financial statements for the year ended June 30, 2019, from which the summarized information was derived.

Note 3: Income Taxes

Pursuant to a determination letter received from the Internal Revenue Service dated September 28, 2007, with an effective date of August 15, 2006, CASEL files as an organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and similar provisions of the state tax law. Accordingly, no provision for income taxes has been made in the accompanying financial statements. The Organization recognizes the financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination.

Note 4: Concentration of Credit Risk

CASEL routinely maintains balances in bank accounts in excess of federally insured limits. CASEL has not experienced any losses in such accounts and management believes there is no significant concentration of credit risk with respect to these accounts. At June 30, 2020, funds exceeding federally insured limits were approximately \$7,900,000.

Collaborative for Academic, Social, and Emotional Learning (CASEL)

Notes to Financial Statements June 30, 2020 and 2019

Note 5: Property and Equipment

A summary of property and equipment as of June 30, 2020 and 2019, is as follows:

	2020	2019
Furnishings and equipment	\$ 312,943	\$ 312,943
Software	55,870	55,870
Leasehold improvements	57,052	57,052
Subtotal	425,865	425,865
Less accumulated depreciation and amortization	(425,865)	(397,799)
	\$ -	\$ 28,066

Note 6: Line of Credit

On August 31, 2018, CASEL entered into a \$400,000 unsecured revolving line of credit with its bank, to be drawn upon as needed, with interest at the one month LIBOR rate plus 2%, which was 2.16% and 4.39% at June 30, 2020 and 2019, respectively. The line of credit is due on demand. No borrowings on this line of credit agreement were outstanding at June 30, 2020 and 2019.

Note 7: Note Payable

On April 18, 2020, CASEL obtained an unsecured commercial term loan [SBA – Paycheck Protection Program through the CARES Act signed into law on March 27, 2020] in the amount of \$824,000. The loan bears interest at 1.00% with monthly interest and principal payments of \$46,371 beginning February 18, 2021 through April 18, 2022. In accordance with the agreement providing for the line of credit (Note 6), the loan is due on demand, and therefore the entire outstanding balance is considered due in the year ending June 30, 2021. CASEL anticipates using all of the proceeds to pay for eligible expenses, and therefore expects substantially all of the loan to be forgiven. As of June 30, 2020, the outstanding balance of the loan is \$824,000.

Collaborative for Academic, Social, and Emotional Learning (CASEL)

Notes to Financial Statements June 30, 2020 and 2019

Note 8: Net Assets With Donor Restrictions

Net Assets With Donor Restrictions

Net assets with donor restrictions related to purpose restrictions at June 30, 2020 and 2019, consist of the following:

	2020	2019
S.D. Bechtel, Jr. Foundation	\$ -	\$ 69,712
Robert Wood Johnson Family Foundation	386,210	601,109
Bill and Melinda Gates Foundation	880,712	14,784
LG Electronics USA, Inc.	100,000	-
Wallace Foundation	168,950	305,599
Ewing Marion Kauffman Foundation	-	4,890
Overdeck Family Foundation	-	31,291
Raikes Foundation	121,780	17,058
Pure Edge, Inc.	727,484	203,055
The Allstate Foundation	82,370	-
The Chan Zuckerberg Initiative	741,454	641,263
DuPage Foundation	2,900	-
Seattle Foundation	20,388	-
Committee for Children	-	25,000
Learning Policy Institute	54,975	-
	\$ 3,287,223	\$ 1,913,761

Net Assets Released From Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors for the years ended June 30, 2020 and 2019, as follows:

	2020	2019
Satisfaction of purpose restrictions		
Robert Wood Johnson Family Foundation	\$ 1,040,594	\$ 641,159
Bill and Melinda Gates Foundation	634,071	535,216
Sanford Harmony	-	25,000
Robert R. McCormick Foundation	-	71,055

Collaborative for Academic, Social, and Emotional Learning (CASEL)

Notes to Financial Statements

June 30, 2020 and 2019

	2020	2019
Rockefeller Philanthropy Advisors	\$ -	\$ 200,000
Wallace Foundation	761,650	794,091
Ewing Marion Kauffman Foundation	29,890	65,749
Overdeck Family Foundation	31,290	93,710
Anonymous	-	6,000
DuPage Foundation	-	2,800
Raikes Foundation	395,278	80,338
S.D. Bechtel, Jr. Foundation	69,712	173,927
Pure Edge, Inc.	750,572	663,886
Einhorn Communications	75,000	-
Stuart Foundation	10,000	40,000
Learning Policy Institute	95,020	-
The Allstate Foundation	247,630	76,549
The Chan Zuckerberg Initiative	649,811	755,424
TCH Legacy, Inc.	-	394,595
Committee for Children	75,000	25,000
Seattle Foundation	177,769	-
	\$ 5,043,287	\$ 4,644,499

Note 9: Concentrations

Management acknowledges the possibility that a funder may choose to discontinue support at any time. Accordingly, CASEL has embarked on a development plan to expand and diversify its funding base. Given the national reach of CASEL's program, the scientific evidence supporting the impact of SEL and CASEL's commitment to cross disciplinary-boundary spanning, its initiatives have appeal for a wide variety of funders.

During the year ended June 30, 2020, 23% of CASEL's revenues and support came from two sources. The funding from these sources constitute approximately 33% of total contributions for the year ended June 30, 2020.

During the year ended June 30, 2019, 36% of CASEL's revenues and support came from three sources. The funding from these sources constitute approximately 50% of total contributions for the year ended June 30, 2019.

Collaborative for Academic, Social, and Emotional Learning (CASEL)

Notes to Financial Statements

June 30, 2020 and 2019

Note 10: Transactions With UIC

CASEL reimburses UIC for personnel, materials, services, facilities and equipment. For the years ended June 30, 2020 and 2019, CASEL was charged \$133,796 and \$214,674, respectively, by UIC for these expenses. At June 30, 2020 and 2019, the amount due to UIC included in accounts payable and other liabilities was \$43,280 and \$50,130, respectively.

Note 11: Related Party Transactions

CASEL receives contributions from related parties including employees and board members. The amounts received from related parties for the years ended June 30, 2020 and 2019, were \$80,326 and \$85,630, respectively.

Note 12: Operating Lease

CASEL entered into an agreement to lease an administrative facility. The original lease term of the administrative facility was twelve months commencing June 30, 2012. The lease was extended until March 31, 2023. Future minimum rental payments due under the lease are as follows:

<u>Year Ending June 30,</u>	<u>Lease Commitment</u>
2021	\$ 185,419
2022	190,982
2023	<u>146,435</u>
	<u>\$ 522,836</u>

Rent expense for the years ended June 30, 2020 and 2019, was \$184,703 and \$167,189, respectively.

Note 13: Defined Contribution Plan

CASEL has a defined contribution plan for full-time employees who have completed three months of service. During 2020 and 2019, CASEL contributed \$127,347 and \$111,879, respectively, to the plan.

Collaborative for Academic, Social, and Emotional Learning (CASEL)

Notes to Financial Statements June 30, 2020 and 2019

Note 14: Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2020 and 2019, comprise the following:

	2020	2019
Cash and cash equivalents	\$ 8,145,272	\$ 6,373,443
Accounts receivable	626,243	665,288
Total financial assets	8,771,515	7,038,731
Less donor-imposed restrictions	3,287,223	1,913,761
Financial assets available to meet cash needs for general expenditures within one year	\$ 5,484,292	\$ 5,124,970

CASEL is supported by contributions with and without donor restrictions, and also manages an earned revenue stream to help buffer its dependence on donors. CASEL regularly monitors liquidity to meet both operating needs and to fulfill the requirements of net assets with donor restrictions. This is achieved through (1) investing idle cash in a money market account, (2) maintaining a cash forecast and reviewing on a monthly basis, (3) approving an organizational wide budget prior to the start of each new fiscal year, (4) maintaining a line of credit with CASEL's financial institution and (5) maintaining a target operating reserve that is reviewed by the board of directors for adequacy on an annual basis.

Note 15: Future Changes in Accounting Principles

Revenue Recognition

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09 *Revenue from Contracts with Customers*, amending its standards related to revenue recognition. This amendment replaces all existing revenue recognition guidance and provides a single, comprehensive revenue recognition model for all contracts with customers. The guidance provides a five-step analysis of transactions to determine when and how revenue is recognized. Other major provisions include capitalization of certain contract costs, consideration of the time value of money in the transaction price and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain circumstances. The amendment also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in those judgments and assets recognized from costs incurred to fulfill a contract. The standard allows either full or modified retrospective adoption effective for nonpublic entities for annual periods

Collaborative for Academic, Social, and Emotional Learning (CASEL)

Notes to Financial Statements

June 30, 2020 and 2019

beginning after December 15, 2019, and any interim periods within annual reporting periods that begin after December 15, 2020. CASEL expects to first apply the ASU during its fiscal year ending June 30, 2021. The impact of applying the ASU has not yet been determined.

Accounting for Leases

The FASB issued ASU No. 2016-02 *Leases*, the long-awaited standard on lease accounting. Under the new standard, lessees will now be required to recognize substantially all leases on the statement of financial position as both a right-of-use asset and a liability. The standard has two types of leases for statement of activities recognition purposes: operating leases and finance leases. Operating leases will result in the recognition of a single lease expense on a straight-line basis over the lease term similar to the treatment for operating leases under existing standards. Finance leases will result in an accelerated expense similar to the accounting for capital leases under existing standards. The determination of lease classification as operating or finance will be done in a manner similar to existing standards. The new standard is effective for annual periods beginning after December 15, 2021, and any interim periods within annual reporting periods that begin after December 15, 2022. CASEL expects to first apply the ASU during its fiscal year ending June 30, 2023. The impact of applying the ASU has not yet been determined.

Note 16: Subsequent Events

As a result of the spread of the SARS-CoV-2 virus and the incidence of COVID-19 coronavirus, economic uncertainties have arisen which may negatively affect the financial position, results of operations and cash flows of CASEL, especially in the areas of philanthropic donations and earned revenue. CASEL manages cash flows, has access to a line of credit and continues to move forward with their strategic goals. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

Subsequent events have been evaluated through December 7, 2020, which is the date the financial statements were available to be issued.