

CORPORATE AMERICA SUPPORTS YOU

FINANCIAL STATEMENTS

**FOR THE YEARS ENDED
DECEMBER 31, 2019 AND 2018**

CONTENTS

INDEPENDENT AUDITORS' REPORT 1-2

FINANCIAL STATEMENTS:

 Statements of Financial Position..... 3

 Statements of Activities 4-5

 Statements of Cash Flows 6

 Notes to Financial Statements 7-11



Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of
Corporate America Supports You
St. Louis, Missouri

We have audited the accompanying financial statements of Corporate America Supports You (the "Organization"), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 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.

BWTP P.C.

424 S. Woods Mill Road, Ste. 340 / Chesterfield, MO 63017 / Ph 314.576.1350
Fax 314.576.9650 / Toll Free 877.253.5084 / www.bwtpcpa.com

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Corporate America Supports You 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.

BWTP P.C.

BWTP P.C.
St. Louis, MO
May 19, 2020

CORPORATE AMERICA SUPPORTS YOU

STATEMENTS OF FINANCIAL POSITION**DECEMBER 31, 2019 AND 2018****ASSETS**

	<u>2019</u>	<u>2018</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,663,457	\$ 1,750,813
Pledges receivable	-	250,000
Other assets	<u>20,047</u>	<u>20,044</u>
Total Current Assets	<u>2,683,504</u>	<u>2,020,857</u>
OTHER ASSETS		
Investments	2,648,302	1,932,894
Intangibles - net of amortization	166,667	-
Website deposits	-	250,000
TOTAL ASSETS	<u>\$ 5,498,473</u>	<u>\$ 4,203,751</u>

LIABILITIES AND NET ASSETS**CURRENT LIABILITIES**

Accounts payable	\$ 124,660	\$ 118,691
Accrued expenses	<u>6,607</u>	<u>13,622</u>
Total Liabilities	<u>131,267</u>	<u>132,313</u>

NET ASSETS

Net assets without donor restrictions	5,292,206	3,889,415
Net assets with donor restrictions	<u>75,000</u>	<u>182,023</u>
Total Net Assets	<u>5,367,206</u>	<u>4,071,438</u>

TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,498,473</u>	<u>\$ 4,203,751</u>
---	---------------------	---------------------

CORPORATE AMERICA SUPPORTS YOU

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019		2018	
NET ASSETS WITHOUT RESTRICTIONS				
SUPPORT AND REVENUES				
Contributions	\$ 3,289,131		\$ 3,008,328	
Investment income	99,757		53,872	
Net income released from restrictions	507,023		70,000	
Total Support and Revenues	3,895,911		3,132,200	
EXPENSES				
Program services				
Amortization	83,333		-	
Information technology	28,211		33,485	
Payroll expense	177,742		185,898	
Subcontract labor	1,916,513		1,691,585	
Training	138,055		128,899	
Travel	63,295		50,855	
Insurance	127		-	
Other expenses	21,283		5,818	
Total Program Services	2,428,559	97.4	2,096,540	96.2
Management and general				
Information technology	2,051		15,441	
Payroll expense	7,071		8,831	
Subcontract labor	10,208		10,627	
Other expenses	17,047		19,781	
Travel	1,015		4,362	
Insurance	4,802		5,357	
Total Management and General	42,194	1.7	64,399	3.0
Fundraising				
Payroll expense	10,963		12,481	
Subcontract labor	11,163		5,329	
Travel	241		-	
Other expenses	-		287	
Total Fundraising Expense	22,367	0.9	18,097	0.8
Total Expenses	2,493,120	100.0	2,179,036	100.0
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	1,402,791		953,164	
NET ASSETS WITHOUT DONOR RESTRICTIONS - BEGINNING	3,889,415		2,936,251	
NET ASSETS WITHOUT DONOR RESTRICTIONS - END	\$ 5,292,206		\$ 3,889,415	

CORPORATE AMERICA SUPPORTS YOU

STATEMENTS OF ACTIVITIES (CONTINUED) FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
NET ASSETS WITH DONOR RESTRICTIONS		
Contributions and grants	\$ 400,000	\$ 182,023
Net assets released from restrictions	<u>(507,023)</u>	<u>(70,000)</u>
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	(107,023)	112,023
NET ASSETS WITH DONOR RESTRICTIONS - BEGINNING	182,023	70,000
NET ASSETS WITH DONOR RESTRICTIONS - END	\$ <u><u>75,000</u></u>	\$ <u><u>182,023</u></u>
CHANGE IN NET ASSETS	\$ 1,295,768	\$ 1,065,187
NET ASSETS - BEGINNING OF YEAR	<u>4,071,438</u>	<u>3,006,251</u>
NET ASSETS - END OF YEAR	\$ <u><u>5,367,206</u></u>	\$ <u><u>4,071,438</u></u>

CORPORATE AMERICA SUPPORTS YOU

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,295,768	\$ 1,065,187
Adjustments to reconcile change in net assets to net cash from operating activities:		
Amortization	83,333	-
Decrease (Increase) in Current Assets:		
Pledges receivable	250,000	(174,302)
Other assets	(3)	(19,997)
Increase (Decrease) in Current Liabilities:		
Accounts payable	5,969	40,439
Accrued expenses	(7,015)	6,618
Net Cash From Operating Activities	<u>1,628,052</u>	<u>917,945</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(715,408)	(1,932,894)
Purchase of website	-	(250,000)
Net Cash From Investing Activities	<u>(715,408)</u>	<u>(2,182,894)</u>
NET INCREASE (DECREASE) IN CASH	912,644	(1,264,949)
CASH, BEGINNING OF PERIOD	<u>1,750,813</u>	<u>3,015,762</u>
CASH, END OF PERIOD	<u>\$ 2,663,457</u>	<u>\$ 1,750,813</u>

CORPORATE AMERICA SUPPORTS YOU

NOTES TO FINANCIAL STATEMENTS

Note 1 – Organization and Summary of Significant Accounting Policies

Organization and Nature of Activities

Corporate America Supports You (“CASYS”) is a not-for-profit entity formed in the state of Texas in 2004. CASYS provides employment referral and job placement solutions to the military and war wounded at no cost. CASYS operates with a user-friendly Internet Gateway available to job seekers and partnered employers. The Organization is supported through public grants, contributions, and investment income.

Basis of Accounting

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

Classification of Net Assets

Net assets of the Organization are classified based on the presence or absence of donor-imposed restrictions. Net assets are comprised of two groups as follows:

Net Assets Without Donor Restrictions represent those net assets whose use is not restricted by donors. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Net assets without donor restrictions were \$5,292,206 and \$3,889,415 at December 31, 2019 and 2018, respectively.

Net Assets With Donor Restrictions represents those net assets whose use has been limited by donor-imposed restrictions. Net assets with donor restrictions were \$75,000 and \$182,023 at December 31, 2019 and 2018, respectively.

Estimates and Assumptions

The preparation of financial statements in conformity with generally accepted accounting principles 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 during the reporting period. Actual results could vary from those estimates.

Reclassifications

Certain prior year amounts have been reclassified where appropriate to conform to the current year financial statement presentation. Total net assets and changes in net assets are unchanged due to these reclassifications.

Investments

The Organization’s investments include U.S. treasuries. These investments are carried at fair value and unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

Contributions and Grants

All contributions and grants are considered to be available for unrestricted use unless specifically restricted by the donor.

CORPORATE AMERICA SUPPORTS YOU

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 1 – Organization and Summary of Significant Accounting Policies (Continued)

Income Taxes

CASY is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code, and therefore, has made no provision for income taxes in the accompanying financial statements. There was no unrelated business income for the years ended December 31, 2019 and 2018.

Fair Value Measurements

In determining the fair value, the Organization principally uses the market approach which generally utilizes market transaction data for the same or similar instruments. A hierarchy was established for inputs used in determining fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that observable inputs be used when available.

Financial assets recorded on the Statements of Financial Position at fair values as of December 31, 2019 and 2018, are categorized in the fair value hierarchy based on the observable inputs to the valuation techniques as follows:

Level 1: Financial assets whose values are based on unadjusted quoted prices for identical assets in an active market that the Fund can access as of the measurement date.

Level 2: Financial assets whose values are based on the following:

- A) Quoted prices for similar assets or liabilities in active markets;
- B) Quoted prices for identical or similar assets in non-active markets; or
- C) Valuation models whose inputs are observable, directly or indirectly, for substantially the full term of the asset.

Level 3: Financial assets whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

These inputs reflect the Organization's estimates of the assumptions that market participants would use in valuing the financial assets.

Intangibles

The Organization purchased a website from Vetjobs.com, Inc. in the amount of \$250,000. This website is amortized on a straight-line basis over a 36 month useful life.

Subsequent Events

The Organization has evaluated subsequent events through May 19, 2020, the date on which the financial statements were available to be issued.

CORPORATE AMERICA SUPPORTS YOU

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 2 – Cash And Cash Equivalents

The Organization considers short-term highly liquid investments to be cash equivalents provided that they are both readily convertible to cash and had an original maturity of three months or less when purchased. The balance in cash and cash equivalents at December 31, 2019 and 2018 includes:

	<u>2019</u>	<u>2018</u>
Bank of America – Tampa, FL		
Checking	\$ 296,018	\$ 220,959
Krilogy Financial (Cash and Money Market)	2,367,051	1,529,041
Other cash	388	813
	<u>\$ 2,663,457</u>	<u>\$ 1,750,813</u>

Note 3 – Related Party Transactions

Corporate America Supports You (CASYS) shares the same corporate officers and directors as Military Spouse Corporate Career Network (MSCCN), both organizations have a common purpose goal. No significant transactions between the two organizations occurred during the fiscal years ended December 31, 2019 and 2018.

CASYS shares corporate officers with DK Consulting, LLC and DLK Consulting, LLC which provides subcontractor labor to CASYS. For the years ended December 31, 2019 and 2018, DK Consulting, LLC was paid nonemployee compensation amounting to \$52,000 for each year. For the year ended December 31, 2019, DLK Consulting, LLC was paid nonemployee compensation amounting to \$55,000.

Note 4 – Concentrations

The Organization maintains cash and cash equivalents in excess of federally insured limits. The Organization has not experienced any losses in such accounts. In management's opinion, risk pertaining to such concentrations is minimal.

Approximately 84% and 78% of CASYS's revenue was earned under grants of two donors during the years ended December 31, 2019 and 2018, respectively.

Note 5 – Non-Cash Donations

During the years ended December 31, 2019 and 2018, CASYS received non-cash donations of services amounting to \$135,662 and \$126,000, respectively, that have been reflected in the financial statements. IBM Technology contributed services consisting of programming and software support that allows the tracking of candidates from registration through their first year on the job. Also during the year ended December 31, 2019, CASYS received a non-cash donation of stock amounting to \$994,890. CASYS then sold the stock and purchased U.S. treasuries with the proceeds.

CORPORATE AMERICA SUPPORTS YOU

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 6- Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to various programs, fundraising and supporting functions of the Organization. Most expenses are functionalized based on actual expenses incurred. Payroll expenses are categorized based on actual hours. Expenses are charged directly to program, management and general, fundraising categories based on specific identification.

Note 7 – Adoption of Accounting Pronouncement

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) NO. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. ASU 2016-14 requires significant changes to the financial reporting model of organizations who follow the not-for-profit reporting model. The changes include reducing the classes of net assets from three classes to two – net assets with donor restrictions and net assets without donor restrictions. The ASU also require changes in the way certain information is aggregated and reported by the Organization, including required disclosures about liquidity and availability of resources and increased disclosures on functional expenses. The new standard is effective for the Organization’s year ended December 31, 2018 and thereafter and must be applied on a retrospective basis. The Organization adopted the ASU effective January 1, 2018. Adoption of the ASU did not result in any reclassification or restatements to net assets or changes in net assets.

Note 8 – Liquidity

At December 31, 2019, the Organization has \$2,683,504 of current assets, of which \$2,663,457 consists of cash and cash equivalents available to meet needs for general expenditure. None of the financial assets are subject to donor or contractual restrictions. Accordingly, all such funds are available to meet the cash needs of the Organization in the next twelve months.

The Organization manages its liquidity by developing and adopting annual operating budgets that provide sufficient funds for general expenditures in meeting its liabilities and other obligations as they become due. Cash needs of the Organization are expected to be met on a monthly basis from contributions. In general, the Organization maintains sufficient financial assets for its normal operating expenses.

Note 9 – Investments

Investments are reported on the basis of quoted market prices and consist of the following at December 31, 2019 and 2018:

	<u>2019</u>		<u>2018</u>	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
U.S. Treasuries	<u>\$ 2,648,302</u>	<u>\$ 2,648,221</u>	<u>\$ 1,932,894</u>	<u>\$ 1,929,193</u>

CORPORATE AMERICA SUPPORTS YOU

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 10 – Fair Value Measurements

The following tables summarize the Foundation's investments measured at fair value on a recurring basis as of December 31, 2019 and 2018.

	2019			
	<u>Level One</u>	<u>Level Two</u>	<u>Level Three</u>	<u>Total</u>
U.S. Treasuries	<u>\$ 2,648,302</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,648,302</u>

	2018			
	<u>Level One</u>	<u>Level Two</u>	<u>Level Three</u>	<u>Total</u>
U.S. Treasuries	<u>\$ 1,932,894</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,932,894</u>

Note 11 – Intangible Assets

Intangible assets are carried at cost less accumulated amortization. Amortization expense for the year ended December 31, 2019, was \$83,333. Intangibles are amortized as follows:

	2019
Website	\$ <u>250,000</u>
Less: accumulated amortization	<u>(83,333)</u>
Intangible assets, net	\$ <u>166,667</u>

Note 12 – Subsequent Events – COVID-19 Pandemic

On March 11, 2020, the World Health Organization declared Coronavirus (COVID-19) a pandemic. The continued spread of COVID-19, or any similar outbreaks in the future, may adversely impact the local, regional, national and global economies. The extent to which COVID-19 impacts the Organization's operating results is dependent on the breadth and duration of the pandemic and could be affected by other factors management is not currently able to predict. Potential impacts include, but are not limited to, additional costs for responding to COVID-19, potential shortages of personnel, or reduction to donation revenues. Management believes the Company is taking appropriate actions to respond to the pandemic; however, the full impact is unknown and cannot be reasonably estimated at the date the financial statements were available for issuance.