

CASETA - Center for the Advancement and Study of Early Texas Art
(a Non-profit Corporation)

Audited Financial Statements

For the Year Ended August 31, 2021
(With Comparative Totals for 2020)

CASETA - Center for the Advancement and Study of Early Texas Art

Audited Financial Statements

Table of Contents

Independent Auditor's Report	3
Financial Statements	
Statement of Financial Position	5
Statement of Activities	6
Statement of Functional Expenses	7
Statement of Cash Flows	8
Notes to the Financial Statements	9

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
CASETA - Center for the Advancement and Study of Early Texas Art
San Angelo, Texas

We have audited the accompanying financial statements of CASETA - Center for the Advancement and Study of Early Texas Art, which comprise the statement of financial position as of August 31, 2021, and the related statements of activities 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 of 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 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CASETA - Center for the Advancement and Study of Early Texas Art as of August 31, 2021, 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.

Other Matter

Summarized Comparative Information

We have previously audited CASETA - Center for the Advancement and Study of Early Texas Art's 2020 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated February 9, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Austin, Texas
October 20, 2022

A handwritten signature in blue ink, reading "Ronald W. Meyer CPA". The signature is fluid and cursive, with the letters "R", "W", and "M" being particularly prominent.

CASETA - Center for the Advancement and Study of Early Texas Art
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Statement of Financial Position
August 31, 2021
(With Comparative Totals at August 31, 2020)

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
Assets				
Current Assets				
Cash and Cash Equivalents	\$ 63,794	\$ 16,033	\$ 79,827	\$ 45,704
Accounts Receivable - Other	5,277	-	5,277	-
Inventory	11,885	-	11,885	13,500
Prepaid Expenses	2,563	-	2,563	580
Total Current Assets	<u>83,519</u>	<u>16,033</u>	<u>99,552</u>	<u>59,784</u>
Total Assets	<u><u>\$ 83,519</u></u>	<u><u>\$ 16,033</u></u>	<u><u>\$ 99,552</u></u>	<u><u>\$ 59,784</u></u>
Liabilities				
Current Liabilities				
Accrued Expenses	\$ 1,418	\$ -	\$ 1,418	\$ -
Deferred Revenue	2,294	-	2,294	2,126
PPP Loan Payable	10,900	-	10,900	-
Total Current Liabilities	<u>14,612</u>	<u>-</u>	<u>14,612</u>	<u>2,126</u>
Total Liabilities	<u>14,612</u>	<u>-</u>	<u>14,612</u>	<u>2,126</u>
Net Assets				
Without Donor Restrictions	68,907	-	68,907	41,000
With Donor Restrictions	<u>-</u>	<u>16,033</u>	<u>16,033</u>	<u>16,658</u>
Total Net Assets	<u>68,907</u>	<u>16,033</u>	<u>84,940</u>	<u>57,658</u>
Total Liabilities and Net Assets	<u><u>\$ 83,519</u></u>	<u><u>\$ 16,033</u></u>	<u><u>\$ 99,552</u></u>	<u><u>\$ 59,784</u></u>

See accompanying notes to financial statements.

CASETA - Center for the Advancement and Study of Early Texas Art
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Statement of Activities
For the Year Ended August 31, 2021
(With Comparative Totals for the Year Ended August 31, 2020)

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
Revenues				
Grants and Contributions	\$ 56,268	\$ -	\$ 56,268	\$ 85,743
Membership Dues	3,483	-	3,483	3,660
In-kind Donations	48,500	-	48,500	6,000
Interest Income	89	-	89	737
Other Income	5,062	-	5,062	260
Net Assets Released from Restrictions	625	(625)	-	-
Total Revenue	114,027	(625)	113,402	96,400
Cost of Goods Sold	1,615	-	1,615	-
Net Revenue	112,412	(625)	111,787	96,400
Expenses				
Program Expenses	36,838	-	36,838	85,818
Management and General	34,804	-	34,804	37,651
Fundraising	12,863	-	12,863	-
Total Expenses	84,505	-	84,505	123,469
Excess of Revenues Over Expenses	27,907	(625)	27,282	(27,069)
Net Assets at Beginning of Year	41,000	16,658	57,658	84,727
Net Assets at End of Year	\$ 68,907	\$ 16,033	\$ 84,940	\$ 57,658

See accompanying notes to financial statements.

CASETA - Center for the Advancement and Study of Early Texas Art
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Statement of Functional Expenses
For the Year Ended August 31, 2021
(With Comparative Totals for the Year Ended August 31, 2020)

	Program Expenses	Management & General	Fundraising	2021 Totals	2020 Totals
Advertising and Promotion	\$ -	\$ -	\$ -	\$ -	\$ 580
Printing and Design	1,064	304	152	1,520	1,145
Website	-	-	-	-	300
Speakers and Honorariums	4,500	-	-	4,500	-
Program Support (Education)	265	-	-	265	3,195
Education and Outreach	500	-	-	500	4,100
Contract Services	-	-	-	-	26,250
Fundraising	-	-	10,000	10,000	-
Accounting and Audit	-	9,847	-	9,847	6,925
Legal Fees	-	2,500	-	2,500	-
Bank Charges/Credit Card Fees	-	576	-	576	1,169
Office Supplies and Stationary	-	651	-	651	873
Postage and P.O. Box Fees	-	749	-	749	874
Telephone	-	421	-	421	752
Computer Maintenance	-	379	-	379	-
Dues and Subscriptions	-	537	-	537	69
Insurance	-	2,315	-	2,315	1,902
Travel	123	61	-	184	3,561
Administrative Contract	24,012	11,988	-	36,000	36,000
Salaries and Wages	5,991	4,207	2,549	12,747	33,231
Taxes - Payroll	383	269	162	814	2,543
Total Expenses	<u>\$ 36,838</u>	<u>\$ 34,804</u>	<u>\$ 12,863</u>	<u>\$ 84,505</u>	<u>\$ 123,469</u>

See accompanying notes to financial statements.

CASETA - Center for the Advancement and Study of Early Texas Art
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Statement of Cash Flows
For the Year Ended August 31, 2021
(With Comparative Totals for the Year Ended August 31, 2020)

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
Cash Flows from Operating Activities:				
Excess of expenditures over revenues	\$ 27,907	\$ (625)	\$ 27,282	\$ (27,069)
(Increase) Decrease in operating assets				
Accounts Receivable - Other	(5,277)	-	(5,277)	-
Loans to Employees	-	-	-	22
Inventory	1,615	-	1,615	(160)
Prepaid Expenses	(1,983)	-	(1,983)	5,947
Increase (Decrease) in operating liabilities				
Accrued Expenses	1,418	-	1,418	-
Deferred Revenue	168	-	168	(1,285)
Cash Provided/(Used by) Operating Activities	23,848	(625)	23,223	(22,545)
Cash Flows from Financing Activities:				
PPP Loan Proceeds	10,900	-	10,900	-
Net Increase in Cash and Cash Equivalents	34,748	(625)	34,123	(22,545)
Cash and Cash Equivalents at Beginning of Year	29,046	16,658	45,704	68,249
Cash and Cash Equivalents at End of Year	<u>\$ 63,794</u>	<u>\$ 16,033</u>	<u>\$ 79,827</u>	<u>\$ 45,704</u>
<i>Supplemental Disclosure:</i>				
Fair market value of goods and services received	<u>\$ 48,500</u>	<u>\$ -</u>	<u>\$ 48,500</u>	<u>\$ 6,000</u>

See accompanying notes to financial statements.

CASETA - Center for the Advancement and Study of Early Texas Art
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Notes to the Financial Statements

August 31, 2021

Note 1 - Summary of Significant Accounting Policies

This summary of significant accounting policies of CASETA - Center for the Advancement and Study of Early Texas Art (here after referred to as the Organization) is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Nature of Organization

CASETA - Center for the Advancement and Study of Early Texas Art is a nonprofit corporation incorporated November 17, 2005 under the laws of the State of Texas. The Organization's mission is to promote the preservation, study, and appreciation of Texas visual arts and its history.

Management Estimates and Assumptions

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that are used.

Financial Statement Presentation

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of American (GAAP) as defined by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Under the accrual basis of accounting revenue is recognized when earned regardless of when collected, and expenses are recognized when the obligation is incurred regardless of when paid. Inter-organization transactions and balances have been eliminated in consolidation.

Net assets and all balances and transactions are presented based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

- Net assets without donor restrictions - net assets that are not subject to donor-imposed stipulations.
- Net assets with donor restrictions - net assets that are subject to donor-imposed time or purpose restrictions that permit the Organization to use or expend the assets as specified. The restrictions are satisfied either by the passage of time or by actions of the Organization. This also includes net assets that are subject to donor-imposed restrictions that do not expire with the passage of time and cannot be removed or fulfilled by organization actions.

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Notes to the Financial Statements

August 31, 2021

Note 1 - Summary of Significant Accounting Policies (continued)

Comparative Totals

The financial statements include certain prior-year summarized comparative information in total but not by net asset type. 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 CASETA - Center for the Advancement and Study of Early Texas Art's financial statements for the year ended August 31, 2020, from which the summarized information was derived.

Inventories

Inventories are stated at the lower of cost or market. Inventories consist of publications held for sale.

Income Taxes

The Organization is exempt from federal income taxes under section 501 (c)(3) of the Internal Revenue Code and is exempt from private foundation excise taxes under section 509 (a)(2). Therefore, no provision for federal income taxes has been made in the accompanying financial statements.

Management believes the Organization is no longer subject to examination for years prior to 2019.

Note 2 - Donated Goods and Services

Goods and services donated to the Organization for the years ended August 31, 2021 and 2020, respectively, consisted of the following:

	2021	2020
Administrative Contract	\$ 36,000	\$ 6,000
Legal Fees	2,500	-
Fundraising Expense	10,000	-
	<u>\$ 48,500</u>	<u>\$ 6,000</u>

Note 3 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	2021	2020
Cash and cash equivalents	\$ 63,794	\$ 29,046
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 63,794</u>	<u>\$ 29,046</u>

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Notes to the Financial Statements

August 31, 2021

Note 4 - Debt

The Organization received \$10,900 from Texas State Bank on February 22, 2021 under the Small Business Administration Paycheck Protection Program. In accordance with FASB ASC 450-30, these funds will continue to be accounted for as a liability until the period in which forgiveness is obtained. Forgiveness occurred during January 2022, at which time the proceeds were recognized as a government grant and the liability was extinguished.

Note 5 - Subsequent Events

The Organization has measured subsequent events through October 20, 2022, the date which the financial statements were available to be issued.