

Collaborative for Academic, Social and Emotional Learning (CASEL)

Independent Auditor's Report and Financial Statements

June 30, 2021 and 2020



**Collaborative for Academic, Social, and
Emotional Learning (CASEL)**
June 30, 2021 and 2020

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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, 2021, 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.

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, 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.

Report on Summarized Comparative Information

We have previously audited CASEL's 2020 financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 29, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited statements from which it has been derived.

Emphasis of Matter

As discussed in Note 2 to the financial statements, in 2021, the entity adopted new accounting guidance regarding recognition of revenue with customers. Our opinion is not modified with respect to this matter.

BKD, LLP

Oakbrook Terrace, Illinois
December 29, 2021

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

Statements of Financial Position

June 30, 2021 and 2020

Assets

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 8,884,528	\$ 8,145,272
Accounts receivable	558,856	626,243
Contributions receivable	2,305,286	4,260,849
Deposits	<u>29,466</u>	<u>86,405</u>
Total assets	<u><u>\$ 11,778,136</u></u>	<u><u>\$ 13,118,769</u></u>

Liabilities and Net Assets

Liabilities

Accounts payable and other liabilities	\$ 935,837	\$ 902,265
Deferred revenue		
Program revenue	541,717	149,167
SEL Exchange	175,000	285,000
Note payable	<u>812,700</u>	<u>824,000</u>
Total liabilities	<u>2,465,254</u>	<u>2,160,432</u>

Net Assets

Without donor restrictions	4,321,406	3,860,260
With donor restrictions	<u>4,991,476</u>	<u>7,098,077</u>
Total net assets	<u>9,312,882</u>	<u>10,958,337</u>
Total liabilities and net assets	<u><u>\$ 11,778,136</u></u>	<u><u>\$ 13,118,769</u></u>

**Collaborative for Academic, Social, and
Emotional Learning (CASEL)**
Statements of Activities and Changes in Net Assets
Year Ended June 30, 2021 (With Comparative Totals for 2020)

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenues and Other Support				
Contributions	\$ 628,995	\$ 3,074,366	\$ 3,703,361	\$ 12,388,167
Government grants	3,154	-	3,154	3,311
Donated services	424,375	-	424,375	35,606
Program revenue	1,731,377	-	1,731,377	2,290,554
SEL Exchange	622,375	-	622,375	2,037,222
SEL virtual workshop	311,472	-	311,472	-
Interest income	613	-	613	68,944
Net assets released from restrictions	5,180,967	(5,180,967)	-	-
Total revenues and other support	8,903,328	(2,106,601)	6,796,727	16,823,804
Expenses				
Program services	6,716,894	-	6,716,894	8,233,479
Management and general	2,173,618	-	2,173,618	1,817,039
Fundraising	375,671	-	375,671	286,170
Total expenses	9,266,182	-	9,266,182	10,336,688
Other Income				
Forgiveness of Paycheck Protection Program loan	824,000	-	824,000	-
Increase (Decrease) in Net Assets	461,146	(2,106,601)	(1,645,455)	6,487,116
Net Assets, Beginning of Year	3,860,260	7,098,077	10,958,337	4,471,221
Net Assets, End of Year	\$ 4,321,406	\$ 4,991,476	\$ 9,312,882	\$ 10,958,337

**Collaborative for Academic, Social, and
Emotional Learning (CASEL)
Statements of Functional Expenses
Year Ended June 30, 2021 (With Comparative Totals for 2020)**

	2021							2020
	Program Services				Management and General	Fund Raising	Total	Total
	Practice and External Affairs	Research	SEL Exchange	Total				
Contractors	\$ 1,546,466	\$ 395,539	\$ 420,126	\$ 2,362,131	\$ 711,558	\$ -	\$ 3,073,689	\$ 2,575,457
Office equipment expenses	4,356	500	-	4,856	1,697	-	6,553	6,257
Insurance	-	-	-	-	-	-	-	8,636
IT services	4,685	-	-	4,685	9,827	-	14,512	101,843
Legal and audit	71,050	8,161	-	79,211	27,675	-	106,886	91,933
Materials and supplies	-	-	-	-	108,886	-	108,886	91,453
Marketing	48,575	1,483	59	50,117	48,977	-	99,094	-
Meetings	3,729	-	791	4,520	-	-	4,520	1,516,120
Miscellaneous	12,262	30	6,126	18,418	27,767	552	46,737	32,696
Rent	113,511	18,608	1,861	133,980	39,077	13,026	186,083	184,703
Payroll and employee benefits	3,452,316	521,370	-	3,973,686	1,100,326	361,883	5,435,895	5,263,353
Repairs and maintenance	-	-	-	-	-	-	-	4,944
Shipping and postage	1,424	-	478	1,902	4,026	210	6,138	4,879
Software expense	51,236	-	936	52,172	64,683	-	116,855	81,436
Staff development	661	408	949	2,018	9,060	-	11,078	29,864
Telecommunications	17,926	2,059	-	19,985	17,419	-	37,404	44,338
Travel	4,876	-	-	4,876	1,123	-	5,999	262,596
Utilities	3,891	446	-	4,337	1,516	-	5,853	8,114
Total expenses before depreciation and amortization	5,336,964	948,604	431,326	6,716,894	2,173,618	375,671	9,266,182	10,308,622
Depreciation and amortization	-	-	-	-	-	-	-	28,066
Total functional expenses	\$ 5,336,964	\$ 948,604	\$ 431,326	\$ 6,716,894	\$ 2,173,618	\$ 375,671	\$ 9,266,182	\$ 10,336,688

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

Statements of Cash Flows Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating Activities		
Change in net assets	\$ (1,645,455)	\$ 6,487,116
Items not requiring cash		
Depreciation and amortization	-	28,066
Forgiveness of Paycheck Protection Program loan	(824,000)	-
Changes in		
Accounts receivable	67,387	39,045
Contributions receivable	1,955,563	(4,260,849)
Deposits	56,939	93,595
Accounts payable and other liabilities	33,572	48,414
Deferred revenue	<u>282,550</u>	<u>(1,487,558)</u>
Net cash provided by (used in) operating activities	(73,444)	947,829
Financing Activities		
Proceeds from issuance of note payable	<u>812,700</u>	<u>824,000</u>
Net Increase in Cash and Cash Equivalents	739,256	1,771,829
Cash and Cash Equivalents, Beginning of Year	<u>8,145,272</u>	<u>6,373,443</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 8,884,528</u></u>	<u><u>\$ 8,145,272</u></u>
Supplemental Noncash Operating Activities		
Donated services	\$ 424,375	\$ 35,606

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

Notes to Financial Statements

June 30, 2021 and 2020

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

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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

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.

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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.

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.

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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, consisting primarily of consulting and legal services, for the years ended June 30, 2021 and 2020, are \$424,375 and \$35,606, 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, 2021 and 2020, these in-kind contributions are not reflected in the financial statements because they do not meet the criteria for recognition.

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. Revenue is reported at the amount of consideration which CASEL expects to be entitled in exchange for providing services.

SEL Revenue

Registration fees and sponsorships from the SEL Exchange and virtual workshop are recognized as revenue at the conclusion of the annual events. Revenue received in advance is deferred and recognized when earned, which is when the event takes place. Revenue is reported at the amount of consideration which CASEL expects to be entitled in exchange for providing services.

Cash and Cash Equivalents

CASEL considers all liquid investments with original maturities of three months or less to be cash equivalents. At June 30, 2021 and 2020, cash and cash equivalents consisted primarily of checking and money market funds.

Accounts Receivable

Accounts receivable are stated at the amount of consideration from customers of which CASEL has an unconditional right to receive. CASEL provides an allowance for doubtful accounts, which is based upon a review of outstanding receivables, historical collection information and existing economic conditions.

Accounts receivable are ordinarily due 30 days after the issuance of the invoice. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the customer. No allowance for doubtful accounts is considered necessary at June 30, 2021 and 2020.

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

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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) Loans

CASEL received two separate PPP loans established by the CARES Act and has elected to account for the funding as loans 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.

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.

Change in Accounting Principle

On July 1, 2020, CASEL adopted the Financial Accounting Standards Board Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, (ASU 2014-09) using a modified retrospective method of adoption to all contracts with customers at July 1, 2020.

The core guidance in ASU 2014-09 is to recognize revenue to depict the transfer of promised goods or services to customers in amounts that reflect the consideration to which CASEL expects to be entitled in exchange for those goods or services. CASEL has evaluated the guidance in ASU 2014-09 and has applied to the new standard to all contracts not completed at the date of

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adoption and has determined its adoption did not result in a change to the timing of revenue recognition.

Adoption of ASU 2014-09 resulted in changes related to disclosures in the notes to financial statements.

See Note 16 for additional information about CASEL's revenue.

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, 2020, from which the summarized information was derived.

Note 3: Contributions Receivable

Contributions receivable consisted of the following:

	Without Donor Restrictions	With Donor Restrictions	Total
June 30, 2021			
Due in 2022	\$ -	\$ 1,735,286	\$ 1,735,286
Due in 2023	-	570,000	570,000
	<u>\$ -</u>	<u>\$ 2,305,286</u>	<u>\$ 2,305,286</u>
June 30, 2020			
Due in 2021	\$ 350,000	\$ 2,783,064	\$ 3,133,064
Due in 2022	-	1,127,785	1,127,785
	<u>\$ 350,000</u>	<u>\$ 3,910,849</u>	<u>\$ 4,260,849</u>

Note 4: Conditional Gifts

In 2020, CASEL was awarded a conditional contribution of \$1,000,000 in financial support for general operations plus strategic support via donated services. The amount of financial support outstanding at June 30, 2021, is \$500,000 and will be recognized ratably over the remaining two-

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Notes to Financial Statements June 30, 2021 and 2020

year period ending June 30, 2023, as financial support is received. The strategic support was received and recognized during the year ended June 30, 2021.

Note 5: 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 6: 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, 2021, funds exceeding federally insured limits were approximately \$8,600,000.

Note 7: Property and Equipment

A summary of property and equipment as of June 30, 2021 and 2020, is as follows:

	2021	2020
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)	(425,865)
	<u>\$ -</u>	<u>\$ -</u>

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

Notes to Financial Statements June 30, 2021 and 2020

Note 8: 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 2.10% and 2.16% at June 30, 2021 and 2020, respectively. The line of credit is due on demand. No borrowings on this line of credit agreement were outstanding at June 30, 2021 and 2020.

Note 9: Notes Payable

CASEL received two separate PPP loans established by the CARES Act.

On April 18, 2020, CASEL obtained the first PPP loan in the amount of \$824,000. CASEL used all of the proceeds to make eligible payments and all of the loan conditions were met. On March 9, 2021, the SBA granted full forgiveness of the loan. Therefore, the \$824,000 has been recognized as forgiveness of Paycheck Protection Loan on the statement of activities and changes in net assets for the year ended June 30, 2021.

On January 27, 2021, CASEL obtained a second PPP loan in the amount of \$812,700. The loan bears interest at 1.00% with monthly interest and principal payments of \$46,371 beginning December 27, 2021 through January 27, 2026. In accordance with the agreement providing for the line of credit (Note 8), the loan is due on demand. 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, 2021, the outstanding balance of the loan is \$812,700. On October 13, 2021, the SBA granted full forgiveness of the second PPP loan in the amount of \$812,700.

Note 10: Net Assets With Donor Restrictions

Net Assets With Donor Restrictions

Net assets with donor restrictions related to purpose restrictions at June 30, 2021 and 2020, consist of the following:

	2021	2020
Learn	\$ 3,255,224	\$ 4,222,559
Support	886,956	1,909,965
Communicate	849,296	965,553
	<u>\$ 4,991,476</u>	<u>\$ 7,098,077</u>

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

Notes to Financial Statements June 30, 2021 and 2020

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, 2021 and 2020, as follows:

	2021	2020
Satisfaction of purpose restrictions		
Learn	\$ 3,312,202	\$ 3,331,409
Support	1,027,508	798,446
Communicate	841,257	928,428
	<u>\$ 5,180,967</u>	<u>\$ 5,058,283</u>

Note 11: 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, 2021, 19% of CASEL's revenues and support came from one source. The funding from this source constitutes approximately 35% of total contributions for the year ended June 30, 2021.

During the year ended June 30, 2020, 27% of CASEL's revenues and support came from two sources. The funding from these sources constitute approximately 36% of total contributions for the year ended June 30, 2020.

Note 12: Transactions With UIC

CASEL reimburses UIC for personnel, materials, services, facilities and equipment. For the years ended June 30, 2021 and 2020, CASEL was charged \$175,182 and \$133,796, respectively, by UIC for these expenses. At June 30, 2021 and 2020, the amount due to UIC included in accounts payable and other liabilities was \$79,436 and \$43,280, respectively.

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Notes to Financial Statements June 30, 2021 and 2020

Note 13: 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, 2021 and 2020, were \$92,425 and \$80,326, respectively.

Note 14: 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>
2022	\$ 190,982
2023	146,435
	<u>\$ 337,417</u>

Rent expense for the years ended June 30, 2021 and 2020, was \$186,083 and \$184,703, respectively.

Note 15: Defined Contribution Plan

CASEL has a defined contribution plan for full-time employees who have completed three months of service. During 2021 and 2020, CASEL contributed \$145,775 and \$127,347, respectively, to the plan.

Note 16: Revenue From Contracts With Customers

Performance Obligations

Program, SEL Exchange, and SEL Virtual Workshop Revenues

Revenue from contracts with customers for program services is reported at the amount that reflects the consideration to which CASEL expects to be entitled in exchange for providing consulting services. These amounts are primarily due from school districts.

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Revenue from contracts with customers for conferences is reported at the amount that reflects the consideration to which CASEL expects to be entitled in exchange for holding the event. These amounts are primarily due from school districts.

SEL Exchange revenue also includes sponsorship revenue. Revenue from contracts with customers for sponsorships is reported at the amount that reflects the consideration to which CASEL expects to be entitled in exchange for promoting sponsors during the event.

Revenue is recognized as performance obligations are satisfied, which is while the service is being provided.

CASEL recognizes revenue over time as progress is made toward satisfying the performance obligations of each contract. CASEL measures a contract's progress as benefits are being consumed by customers, a so-called output method.

Contract Balances

The following table provides information about CASEL's receivables and deferred revenue (contract liabilities) from contracts with customers:

	2021	2020
Accounts receivable, beginning of year	\$ 626,243	\$ 665,288
Accounts receivable, end of year	558,856	626,243
Deferred revenue - contract liabilities, beginning of year	\$ 434,167	\$ 1,921,725
Deferred revenue - contract liabilities, end of year	716,717	434,167

Significant Judgments

CASEL determines the transaction price based on standard charges for goods and services provided, historical experience, current market conditions and discounts provided in accordance with CASEL's policy. CASEL determines its estimates of explicit price concessions based on contractual agreements and historical collection experience with each class of customer.

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Notes to Financial Statements June 30, 2021 and 2020

Disaggregation of Revenue

The composition of revenue based on lines of business and timing of revenue recognition for the year ended June 30, 2021, is as follows:

In scope of Topic 606	
Over a period of time	
Program revenue	\$ 1,731,377
SEL Exchange	622,375
SEL virtual workshop	311,472
	<hr/>
	2,665,224
	<hr/>
Out of scope of Topic 606	
Contributions	3,703,361
Government grants	3,154
Donated services	424,375
Interest income	613
	<hr/>
	4,131,503
	<hr/>
	\$ 6,796,727
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Accounting Policies and Practical Expedients Elected

CASEL elected to use the portfolio approach practical expedient to evaluate contracts with customers.

Note 17: 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, 2021 and 2020, comprise the following:

	2021	2020
	<hr/>	<hr/>
Cash and cash equivalents	\$ 8,884,528	\$ 8,145,272
Accounts receivable	558,856	626,243
Contributions receivable, due in one year	1,735,286	3,133,064
	<hr/>	<hr/>
Total financial assets	11,178,670	11,904,579
Less donor-imposed restrictions	4,991,476	7,098,077
	<hr/>	<hr/>
Financial assets available to meet cash needs for general expenditures within one year	\$ 6,187,194	\$ 4,806,502
	<hr/> <hr/>	<hr/> <hr/>

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

Notes to Financial Statements

June 30, 2021 and 2020

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 18: Future Change in Accounting Principle

Accounting for Leases

The Financial Accounting Standards Board 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 19: Risks and Uncertainties

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.

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

Notes to Financial Statements

June 30, 2021 and 2020

Note 20: Subsequent Events

Subsequent events have been evaluated through December 29, 2021, which is the date the financial statements were available to be issued.