

CASA/PRINCE GEORGE'S COUNTY, INC.

FINANCIAL STATEMENTS

JUNE 30, 2011

CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position	2
Statements of Activities	3
Statements of Functional Expenses	4
Statements of Cash Flows	5
Notes to Financial Statements	6 - 8

INDEPENDENT AUDITORS' REPORT

To The Board of Directors of
CASA/Prince George's County, Inc.

We have audited the accompanying statements of financial position of CASA/Prince George's County, Inc. (a nonprofit organization) as of June 30, 2011 and 2010 and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CASA/Prince George's County, Inc. as of June 30, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

KAHN, BERMAN, SOLOMON, TAIBEL & MOGOL, P.A.

Kahn, Berman, Solomon, Taibel & Mogol, P.A.

Timonium, Maryland
January 18, 2012

CASA/PRINCE GEORGE'S COUNTY, INC.
 STATEMENTS OF FINANCIAL POSITION
 JUNE 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 73,717	\$ 83,778
Grants receivable	39,592	38,271
Promises to give	85,000	28,500
Prepaid expenses	<u>2,873</u>	<u>1,330</u>
TOTAL CURRENT ASSETS	<u>201,182</u>	<u>151,879</u>
PROPERTY AND EQUIPMENT		
Office equipment, at cost	14,646	14,646
Less: accumulated depreciation	<u>(10,416)</u>	<u>(7,756)</u>
NET PROPERTY AND EQUIPMENT	<u>4,230</u>	<u>6,890</u>
OTHER ASSETS		
Rent deposit	<u>1,292</u>	<u>1,292</u>
TOTAL ASSETS	<u><u>\$ 206,704</u></u>	<u><u>\$ 160,061</u></u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accrued payroll and other liabilities	<u>\$ 27,336</u>	<u>\$ 25,916</u>
TOTAL CURRENT LIABILITIES/TOTAL LIABILITIES	<u>27,336</u>	<u>25,916</u>
NET ASSETS		
Unrestricted	86,624	71,663
Temporarily restricted	<u>92,744</u>	<u>62,482</u>
TOTAL NET ASSETS	<u>179,368</u>	<u>134,145</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 206,704</u></u>	<u><u>\$ 160,061</u></u>

See accompanying notes and independent auditors' report.

CASA/PRINCE GEORGE'S COUNTY, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

	2011		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE			
Contributions and grants	\$ 280,798	\$ 90,824	\$ 371,622
NET ASSETS RELEASED FROM RESTRICTIONS			
Satisfaction of program restrictions	<u>60,562</u>	<u>(60,562)</u>	<u>-</u>
TOTAL SUPPORT AND REVENUE	<u>341,360</u>	<u>30,262</u>	<u>371,622</u>
EXPENSES			
Program services	281,002	-	281,002
Administration	37,035	-	37,035
Fundraising	<u>8,362</u>	<u>-</u>	<u>8,362</u>
TOTAL EXPENSES	<u>326,399</u>	<u>-</u>	<u>326,399</u>
CHANGE IN NET ASSETS	14,961	30,262	45,223
NET ASSETS			
BEGINNING OF YEAR	<u>71,663</u>	<u>62,482</u>	<u>134,145</u>
END OF YEAR	<u>\$ 86,624</u>	<u>\$ 92,744</u>	<u>\$ 179,368</u>

	2010		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE			
Contributions and grants	\$ 231,395	\$ 60,947	\$ 292,342
NET ASSETS RELEASED FROM RESTRICTIONS			
Satisfaction of program restrictions	<u>81,414</u>	<u>(81,414)</u>	<u>-</u>
TOTAL SUPPORT AND REVENUE	<u>312,809</u>	<u>(20,467)</u>	<u>292,342</u>
EXPENSES			
Program services	238,671	-	238,671
Administration	57,841	-	57,841
Fundraising	<u>12,094</u>	<u>-</u>	<u>12,094</u>
TOTAL EXPENSES	<u>308,606</u>	<u>-</u>	<u>308,606</u>
CHANGE IN NET ASSETS	4,203	(20,467)	(16,264)
NET ASSETS			
BEGINNING OF YEAR	<u>67,460</u>	<u>82,949</u>	<u>150,409</u>
END OF YEAR	<u>\$ 71,663</u>	<u>\$ 62,482</u>	<u>\$ 134,145</u>

See accompanying notes and independent auditors' report.

CASA/PRINCE GEORGE'S COUNTY, INC.
 STATEMENTS OF FUNCTIONAL EXPENSES
 FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

2011

	<u>Program</u>	<u>Administration</u>	<u>Fundraising</u>	<u>Total</u>
Administrative	\$ -	\$ 2,560	\$ -	\$ 2,560
Depreciation	2,394	186	80	2,660
Employee benefits	10,885	847	362	12,094
Equipment expense	1,363	106	45	1,514
Finger printing / screening	1,334	-	-	1,334
Insurance	-	4,732	-	4,732
Memberships	-	850	-	850
Office supplies / postage	2,641	205	88	2,934
Other expense	17,000	-	-	17,000
Payroll taxes	14,701	1,143	490	16,334
Professional fees	-	9,382	-	9,382
Rent	17,747	1,380	592	19,719
Salaries	198,278	15,422	6,609	220,309
Staff development	390	-	-	390
Telephone	2,859	222	96	3,177
Travel	2,154	-	-	2,154
Volunteer expenses	5,694	-	-	5,694
YEP	3,562	-	-	3,562
Total	<u>\$ 281,002</u>	<u>\$ 37,035</u>	<u>\$ 8,362</u>	<u>\$ 326,399</u>

2010

	<u>Program</u>	<u>Administration</u>	<u>Fundraising</u>	<u>Total</u>
Administrative	\$ -	\$ 6,815	\$ -	\$ 6,815
Depreciation	2,231	350	108	2,689
Employee benefits	9,870	1,546	476	11,892
Equipment expense	1,632	256	79	1,967
Finger printing / screening	1,358	-	-	1,358
Insurance	-	4,412	-	4,412
Memberships	-	775	-	775
Office supplies / postage	2,566	402	124	3,092
Other expense	-	-	-	-
Payroll taxes	14,555	2,280	701	17,536
Professional fees	-	9,284	-	9,284
Rent	15,322	2,400	738	18,460
Salaries	179,790	28,888	9,735	218,413
Staff development	-	-	-	-
Telephone	2,764	433	133	3,330
Travel	2,048	-	-	2,048
Volunteer expenses	5,061	-	-	5,061
YEP	1,474	-	-	1,474
Total	\$ 238,671	\$ 57,841	\$ 12,094	\$ 308,606

See accompanying notes and independent auditors' report.

CASA/PRINCE GEORGE'S COUNTY, INC.
 STATEMENTS OF CASH FLOWS
 FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 45,223	\$ (16,264)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	2,660	2,689
Changes in operating assets and liabilities		
Grant receivable	(1,321)	13,716
Promises to give	(56,500)	31,500
Prepaid expenses	(1,543)	1,412
Accrued payroll and other liabilities	1,420	449
Net cash (used) provided by operating activities	(10,061)	33,502
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash provided (used) by investing activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash provided (used) by financing activities	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(10,061)	33,502
CASH AND CASH EQUIVALENTS, beginning of year	83,778	50,276
CASH AND CASH EQUIVALENTS, end of year	\$ 73,717	\$ 83,778

See accompanying notes and independent auditors' report.

CASA/PRINCE GEORGE'S COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of activities

CASA/Prince George's County, Inc. (CASA) was organized on January 31, 1992 and is a volunteer organization which promotes the best interest of abused and neglected children in Prince George's County's Juvenile Court System. CASA recruits, screens, trains and supports citizen volunteers who serve as court appointed special advocates.

Financial statement presentation

The financial statements of CASA have been prepared on the accrual basis of accounting. CASA reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with initial maturity dates of three months or less. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Grants receivable

Grants receivable are presented at net realizable value. Management periodically evaluates the balances in the aging categories as well as the status of any past due accounts to determine if any balances are uncollectible. When management determines that a receivable is uncollectible, the balance is removed from the receivables balance and is charged directly against earnings. Management considers all accounts to be fully collectible and, therefore, has not established a provision for uncollectible accounts.

Promises to give

Unconditional promises to give are recognized as revenue in the period received. Conditional promises to give are recognized as revenue when the conditions on which they depend are substantially met. Promises to give, due in more than one year, are reflected at the present value of estimated future cash flows. Currently, CASA has only unconditional promises which are expected to be collected in one year or less and are reported at net realizable value, which approximates fair value. Management believes all promises to give are fully collectible; therefore, a provision for uncollectible accounts has not been established.

CASA/PRINCE GEORGE'S COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and equipment

Acquisitions of property and equipment in excess of \$400 are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over estimated useful lives of 5 -7 years.

Contributions and grants

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

CASA may receive services without payment or compensation. When the value of such services meets recognition criteria, it is reflected in the accompanying financial statements. The criteria for recognition require that services rendered (a) create or enhance a nonfinancial asset or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

CASA accounts for its grants, including the State of Maryland's Administrative Office of the Courts (AOC) grant, as contributions. For the years ended June 30, 2011 and 2010, AOC accounted for 39% and 30%, respectively, of CASA's total revenue.

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

Income taxes

CASA is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified as an organization that is not a private foundation.

CASA has evaluated its tax positions taken for all open tax years. Currently, CASA is not under audit, nor been contacted by any taxing jurisdictions. If interest and penalties were recorded, they would be included in income tax expense. Based on the evaluation of CASA's tax positions and elections, management believes all tax positions taken would be upheld under examination. Therefore, no provision for effects of uncertain tax positions has been recorded as of June 30, 2011 and 2010, and for the years then ended.

CASA/PRINCE GEORGE'S COUNTY, INC.
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2011 AND 2010

NOTE 2 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following at June 30, 2011 and 2010:

	2011	2010
Special projects	\$ 7,744	\$ 5,482
General operations	85,000	57,000
	\$ 92,744	\$ 62,482

NOTE 3 – OPERATING LEASE COMMITMENT

Effective November 1, 2007, CASA leases office facilities under a non-cancelable, 5-year operating lease agreement until October 31, 2012. Remaining minimum annual lease payments are as follows:

June 30, 2012	\$ 18,881
2013	6,355
	\$ 25,236

NOTE 4 – DONATED SERVICES

A substantial number of volunteers who serve as court appointed special advocates have donated significant amounts of their time for CASA's program. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition.

NOTE 5 – CONCENTRATIONS

Approximately 70% of CASA's support was provided by contributions and grants from four separate not-for-profit organizations as of June 30, 2011, and approximately 54% was provided by two separate not-for-profit organizations as of June 30, 2010.

NOTE 6 – SUBSEQUENT EVENTS

CASA evaluated its June 30, 2011 financial statements for subsequent events through January 18, 2012, the date the audited financial statements were available to be issued. CASA is not aware of any subsequent events which would require recognition or disclosure in the financial statements.