

JACKSON COUNTY CASA
INDEPENDENT AUDITORS' REPORT AND
FINANCIAL STATEMENTS
DECEMBER 31, 2009

JACKSON COUNTY CASA

DECEMBER 31, 2009

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INDEPENDENT AUDITORS' REPORT

**To The Board of Directors of
JACKSON COUNTY CASA
Kansas City, Missouri**

We have audited the accompanying statement of financial position of Jackson County CASA as of December 31, 2009, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year 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 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 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 audit provides 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 Jackson County CASA as of December 31, 2009, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles in the United States of America.

Emrich + Company, P.C.

Kansas City, MO
July 14, 2010

JACKSON COUNTY CASA
STATEMENT OF FINANCIAL POSITION
December 31, 2009

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	44,120
Grants receivable		13,578
Unemployment trust fund		8,763
Prepaid expenses		3,919
Total Current Assets		<u>70,380</u>

PROPERTY AND EQUIPMENT

Furniture and equipment		58,537
Software		3,000
Less accumulated depreciation and amortization		<u>(58,606)</u>
Total Property and Equipment		<u>2,931</u>

OTHER ASSETS

Beneficial interest in assets held by others		<u>59,330</u>
Total Other Assets		<u>59,330</u>

TOTAL ASSETS

\$ 132,641

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$	3,990
Accrued expenses		5,306
Accrued payroll		<u>26,046</u>
Total Current Liabilities		<u>35,342</u>

Total Liabilities

35,342

NET ASSETS

Unrestricted net assets		
Board designated		59,330
Unrestricted		<u>(2,425)</u>
Total unrestricted net assets		56,905
Temporarily restricted		<u>40,394</u>
Total Net Assets		<u>97,299</u>

TOTAL LIABILITIES AND NET ASSETS

\$ 132,641

See Notes to Financial Statements

JACKSON COUNTY CASA
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2009

SUPPORT AND REVENUE	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Foundation support	\$ 57,500	\$ 136,450	\$ 193,950
United Way/CFC donations	94,888	-	94,888
Corporate contributions	9,704	-	9,704
Individual and other donations	44,212	-	44,212
County government support	126,154	-	126,154
Federal/State program support		21,649	21,649
Special events	\$ 191,057		
Less expense	<u>(47,053)</u>		
Net revenue from special events	144,004	-	144,004
In-kind goods and services	311,249	-	311,249
Interest income on beneficial interest held by others	121	-	121
Other income	34	-	34
Assets released from restrictions	167,332	(167,332)	-
TOTAL SUPPORT AND REVENUE	<u>955,198</u>	<u>(9,233)</u>	<u>945,965</u>
EXPENSES			
Program Services	855,285	-	855,285
Supporting Services			
Administrative	55,994	-	55,994
Fundraising	54,591	-	54,591
TOTAL EXPENSES	<u>965,870</u>	<u>-</u>	<u>965,870</u>
 CHANGE IN NET ASSETS	 (10,672)	 (9,233)	 (19,905)
 NET ASSETS, BEGINNING OF YEAR	 <u>67,577</u>	 <u>49,627</u>	 <u>117,204</u>
 NET ASSETS, END OF YEAR	 <u>\$ 56,905</u>	 <u>\$ 40,394</u>	 <u>\$ 97,299</u>

See Notes to Financial Statements

**JACKSON COUNTY CASA
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Program Services	Supporting Services		Total Expenses
		Administrative	Fundraising	
Salaries and wages	\$ 360,439	\$ 23,485	\$ 38,974	\$ 422,898
Payroll taxes and benefits	68,707	4,476	7,430	80,613
Total personnel expense	429,146	27,961	46,404	503,511
In-kind donations and services	311,249	-	-	311,249
Rent	34,560	3,840	-	38,400
Equipment rental	4,387	451	-	4,838
Professional fees	17,573	13,088	-	30,661
Printing and reproduction	813	1,272	5,421	7,506
Postage and delivery	335	103	1,334	1,772
Insurance	9,686	1,466	-	11,152
Advertising	615	50	-	665
Marketing	10,492	-	-	10,492
Travel	5,325	-	130	5,455
Volunteer training and development	2,556	-	-	2,556
Meetings and meals	1,977	1,510	-	3,487
Office expense	5,564	424	-	5,988
Technology	3,416	-	-	3,416
Utilities	6,498	718	-	7,216
Telephone	4,764	518	-	5,282
Miscellaneous	1,690	1,320	-	3,010
Repairs and maintenance	797	-	-	797
Depreciation	-	2,194	-	2,194
Dues and subscriptions	2,211	344	62	2,617
Bank service fees	74	735	1,240	2,049
Taxes, licenses and penalties	1,557	-	-	1,557
	<u>\$ 855,285</u>	<u>\$ 55,994</u>	<u>\$ 54,591</u>	<u>\$ 965,870</u>

See Notes to Financial Statements

**JACKSON COUNTY CASA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2009**

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (19,905)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	2,194
Changes in:	
Accounts receivable	1,775
Grants receivable	(2,328)
Prepaid expenses	(3,629)
Unemployment trust fund	368
Accounts payable and accrued expenses	<u>(3,768)</u>
Net cash provided by operating activities	<u>(25,293)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Change in beneficial interest in assets held by others	<u>(467)</u>
Net cash used by investing activities	<u>(467)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	<u>-</u>
Net cash used by financing activities	<u>-</u>
INCREASE IN CASH AND CASH EQUIVALENTS	(25,760)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>69,880</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 44,120</u>

See Notes to Financial Statements

**JACKSON COUNTY CASA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

NOTE 1: NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Jackson County CASA (Court Appointed Special Advocates) protects and defends children who are victims of abuse and neglect. Founded in 1983, Jackson County CASA is a member of and accredited by the National CASA organization. CASA's role is to utilize professional staff members and community volunteers to advocate for and protect the interest of children who are under the jurisdiction of the Family Court system.

The Judiciaries serving the Family Court have referred to CASA volunteers as their eyes and ears. A CASA volunteer visits in the home, at school, talks with the therapists, child care providers and others who are involved parties.

CASA volunteers become the expert in the child, while CASA attorneys are experts in the Law and Supervisors are experts on the system. The ultimate goal of every CASA case is to find a safe, permanent home for the child.

Fixed Assets and Capitalization Policy

Property and equipment are carried at cost or fair market value, if donated. Provisions for depreciation have been computed by the straight-line method over the estimated useful lives of the assets ranging from 5-7 years.

Fundraising

The Organization receives roughly 15 percent of their support through their own fund-raiser special events. The related fundraising costs are materials for the Light of Hope Breakfast, the Carnival for CASA, and other expenses arising from other fundraising activities.

Revenue Recognition

Contracts with governmental entities are generally recorded as revenue when the related costs are incurred or when the Organization has performed the service and is allowed to bill under the terms of the agreement.

Contributed Services

A number of unpaid volunteers have made considerable donations of their time to provide a substantial portion of the services provided by the Organization. The value of these services is reflected in the accompanying statement of activities. Their time has been valued at \$20.85 based on the *Independent Sector* – Research Value of Volunteer Time for 2009. This amount of approximately \$311,249 is included in program services.

**JACKSON COUNTY CASA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

NOTE 1: NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Recognition of 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, temporarily restricted net assets are reclassified to unrestricted net assets.

Income Taxes

The Organization is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) and had no unrelated business income subject to income tax.

Use of Estimates

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 amount of revenue, expenses, gains, losses, and other changes in net assets during the reported period. Actual results could differ from those estimates.

Functional Expenses

Expenses that can be identified with a specific program or supporting service are allocated directly according to their natural expense classification. Other expenses that are common to several functions are allocated based on management's estimate of usage.

Subsequent Events

Subsequent events have been evaluated through July 14, 2010, which is the date the financial statements were available to be issued.

NOTE 2: BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

In 1995 the Organization transferred funds to the Jewish Community Foundation of Greater Kansas City (the Foundation) to establish a board designated fund. Under the terms of the transfer agreement all contributions to the Organization are deposited into an investment fund at the Foundation. The Organization can make periodic withdrawals from the fund by request, and with approval from the Foundation. The Organization also granted variance power to the Foundation. That power gives the Foundation the right to distribute the investment income to another not-for-profit organization of its choice if the Organization ceases to exist or loses its tax exempt status. At December 31, 2009, the fund had a value of \$59,330, which is reported in the accompanying statements of financial position as beneficial interest in assets held by others.

**JACKSON COUNTY CASA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

NOTE 2: BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS (CONTINUED)

The above valuation has been identified as Level 1 in the fair market value hierarchy since it is based on quoted prices in active markets for identical assets based on the criteria included in FASB ASC 820-10.

The change in these funds for the year ending December 31, 2009 is as follows:

<u>Balance</u> <u>January 1, 2009</u>	<u>Interest</u>	<u>Net</u> <u>(Loss) Gain</u>	<u>Administrative</u> <u>Expenses</u>	<u>Balance</u> <u>December 31, 2009</u>
\$59,796	143	(22)	(587)	\$59,330

NOTE 3: CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

Operating checking account	\$40,836
County Club Bank account	3,184
Petty cash	<u>100</u>
	<u>\$44,120</u>

NOTE 4: RETIREMENT PLANS

The Organization has a retirement plan consisting of a Simple IRA for its permanent employees. The Organization matches up to 3% of the employee's gross salary. The Organization contributed \$5,306 in matching funds for the year ended December 31, 2009.

The Organization also has a retirement plan which is a qualified employee benefit plan under Internal Revenue Code Section 403(b). No employer or employee contributions were made to the plan during the year ended December 31, 2009.

NOTE 5: LEASE COMMITMENTS

The Organization has a lease agreement for its facility. Rent expense under the terms of the lease is \$3,200 per month. The lease terminates on April 30, 2012. The total lease expense for the year ended December 31, 2009 was \$38,400.

The Organization has a lease agreement for its copier. Rent expense under the terms of the lease is \$257 per month. The lease terminates on January 31, 2013.

**JACKSON COUNTY CASA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

NOTE 5: LEASE COMMITMENTS (CONTINUED)

Future minimum lease payments under operating leases as of December 31, 2009 are:

Year Ending December 31:

2010	\$ 41,484
2011	41,484
2012	15,884
2013	<u>257</u>
Total Minimum Lease Payments	<u>\$ 99,109</u>

NOTE 6: TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of \$10,093 for volunteer recruitment, \$4,931 for case supervisor expenses, \$2,950 for training material, and \$22,420 for personnel expenses for an attorney.