

JACKSON COUNTY CASA
INDEPENDENT AUDITORS' REPORT AND
FINANCIAL STATEMENTS
DECEMBER 31, 2013

JACKSON COUNTY CASA

DECEMBER 31, 2013

	<u>CONTENTS</u>	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT		1
FINANCIAL STATEMENTS		
Statement of Financial Position		2
Statement of Activities and Changes in Net Assets		3
Statement of Functional Expenses		4
Statement of Cash Flows		5
Notes to Financial Statements		6-9



EMERICK & COMPANY_{P.C.}

David Emerick
Rick Hann

CERTIFIED PUBLIC ACCOUNTANTS & AUDITING PROFESSIONALS

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of Jackson County CASA (a nonprofit organization), which comprise the statement of financial position as of December 31, 2013, and the related statements of activities, 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 Jackson County CASA as of December 31, 2013, 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.

Kansas City, MO
June 30, 2014

Emerick & Company, P.C.

**JACKSON COUNTY CASA
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2013**

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 685,820
Pledges receivable	1,428
Unemployment trust fund	14,900
Prepaid expenses	5,035
Total Current Assets	707,183

PROPERTY AND EQUIPMENT

Building	310,000
Furniture and equipment	29,904
Less accumulated depreciation and amortization	(29,597)
Total Property and Equipment	310,307

NONCURRENT ASSETS

Pledges receivable	2,000
Total Noncurrent Assets	2,000

TOTAL ASSETS

\$ 1,019,490

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 3,062
Accrued expenses	14,282
Accrued payroll	47,451
Total Current Liabilities	64,795

TOTAL LIABILITIES

64,795

NET ASSETS

Unrestricted	
Board designated	300,398
Fixed assets	310,307
Operations	288,417
Total unrestricted	899,122

Temporarily restricted

55,573

Total Net Assets

954,695

TOTAL LIABILITIES AND NET ASSETS

\$ 1,019,490

See Notes to Financial Statements

**JACKSON COUNTY CASA
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2013**

SUPPORT AND REVENUE	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Foundation support	\$ 263,500	\$ 84,827	\$ 348,327
United Way/CFC donations	102,608	-	102,608
Corporate contributions	20,322	-	20,322
Individual and other donations	131,257	-	131,257
County government support	134,712	-	134,712
Federal/State program support	86,056	-	86,056
Special events	\$ 265,992		
Less expense	<u>(53,768)</u>		
Net revenue from special events	212,224	-	212,224
In-kind goods and services	438,020	-	438,020
Interest income	1,092	-	1,092
Other income	700	-	700
Capital campaign	-	-	-
Assets released from restrictions	94,501	(94,501)	-
TOTAL SUPPORT AND REVENUE	<u>1,484,992</u>	<u>(9,674)</u>	<u>1,475,318</u>
 EXPENSES			
Program Services	<u>1,141,839</u>	<u>-</u>	<u>1,141,839</u>
Supporting Services			
Administrative	150,173	-	150,173
Fundraising	120,310	-	120,310
Total supporting services expenses	<u>270,483</u>	<u>-</u>	<u>270,483</u>
TOTAL EXPENSES	<u>1,412,322</u>	<u>-</u>	<u>1,412,322</u>
CHANGE IN NET ASSETS	72,670	(9,674)	62,996
NET ASSETS, BEGINNING OF YEAR	<u>826,452</u>	<u>65,247</u>	<u>891,699</u>
NET ASSETS, END OF YEAR	<u>\$ 899,122</u>	<u>\$ 55,573</u>	<u>\$ 954,695</u>

See Notes to Financial Statements

JACKSON COUNTY CASA
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2013

	Supporting Services			Total Expenses	
	Program Services	Administrative	Fundraising		Total
Salaries and wages	\$ 520,180	\$ 70,060	\$ 68,766	\$ 138,826	\$ 659,006
Payroll taxes and benefits	103,215	11,830	13,958	25,788	129,003
Total personnel expense	<u>623,395</u>	<u>81,890</u>	<u>82,724</u>	<u>164,614</u>	<u>788,009</u>
In-kind donations and services	438,020	-	-	-	438,020
Equipment rental	2,455	3,381	-	3,381	5,836
Professional fees	3,000	26,241	10,796	37,037	40,037
Postage and delivery	200	2,287	3,818	6,105	6,305
Insurance	10,726	4,690	-	4,690	15,416
Marketing	1,471	1,553	14,334	15,887	17,358
Travel	3,898	1,435	2,641	4,076	7,974
Volunteer training and development	15,083	99	702	801	15,884
Meetings and meals	2,693	7,127	2,183	9,310	12,003
Office expense	5,973	4,398	281	4,679	10,652
Technology	10,556	2,955	21	2,976	13,532
Utilities	4,472	6,734	-	6,734	11,206
Telephone	2,448	3,570	-	3,570	6,018
Miscellaneous	372	511	388	899	1,271
Repairs and maintenance	2,781	1,359	-	1,359	4,140
Depreciation	11,802	-	-	-	11,802
Dues and subscriptions	2,320	843	545	1,388	3,708
Bank service fees	-	60	1,877	1,937	1,937
Moving expense	-	439	-	439	439
Capital campaign expense	174	601	-	601	775
	<u>\$ 1,141,839</u>	<u>\$ 150,173</u>	<u>\$ 120,310</u>	<u>\$ 270,483</u>	<u>\$ 1,412,322</u>

See Notes to Financial Statements

**JACKSON COUNTY CASA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013**

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 62,996
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	11,802
Changes in:	
Prepaid expenses	6,870
Unemployment trust fund	840
Accounts payable and accrued expenses	<u>6,526</u>
Net cash provided by operating activities	<u>89,034</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases and disposals of property and equipment	<u>(5,511)</u>
Net cash used by investing activities	<u>(5,511)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Capital campaign contributions	<u>27,305</u>
Net cash provided by financing activities	<u>27,305</u>
DECREASE IN CASH AND CASH EQUIVALENTS	110,828
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>574,992</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 685,820</u></u>

See Notes to Financial Statements

**JACKSON COUNTY CASA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

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 16 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 \$19.00 per hour based on the *Independent Sector* – Research Value of Volunteer Time for 2013. This amount of \$437,760 is included in program services and support and revenue, having no effect on the change in net assets for the year.

**JACKSON COUNTY CASA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

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 temporarily restricted net assets and released into unrestricted net assets as the contribution is used for its restricted purpose. 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 June 30, 2014, which is the date the financial statements were available to be issued.

NOTE 2: CAPITAL CAMPAIGN PLEDGES

In December of 2010 the Organization began a new capital campaign for purchase of the current facility that they are leasing for office space. Pledges are recorded as revenue, at their fair value, when received, or promised unconditionally. The Organization records unconditional promises to give that are expected to be collected within one year at net realizable value.

The amount of pledges considered collectible is discounted using a discount rate that is consistent with the general principles for present value measurement and related to observable interest rates at commonly quoted intervals. No amount is recorded in the financial statements as it is considered immaterial.

**JACKSON COUNTY CASA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

NOTE 2: CAPITAL CAMPAIGN PLEDGES (CONTINUED)

As of December 31, 2013, contributors to the Organization have made written unconditional promises to give, consisting of pledges as follows:

	Temporarily Restricted	Provision for uncollectible pledges	Total
Less than one year	\$ 1,428	\$ -	\$ 1,428
One to five years	2,000	-	2,000
 Total	 \$ 3,428	 \$ -	 \$ 3,428

It is management's estimate that any uncollectible pledges would be immaterial to the financial statements and no provision for uncollectible accounts has been recorded.

NOTE 3: CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

Operating checking account	\$ 303,583
Bank of America savings account	21,327
UMB checking account	60,412
UMB certificate of deposit	200,298
Commerce certificate of deposit	100,100
Petty cash	100
	<u>\$ 685,820</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 \$14,288 in matching funds for the year ended December 31, 2013.

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, 2013.

NOTE 5: LEASE COMMITMENTS

The Organization has a lease agreement for its copier. Rent expense under the terms of the lease is \$315 per month. The lease terminates on July 1, 2015. The Organization has a lease agreement for its database management software for \$200 per month. The lease terminates in June 2016.

**JACKSON COUNTY CASA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

NOTE 5: LEASE COMMITMENTS (CONTINUED)

Future minimum lease payments under operating leases as of December 31, 2013 are:

Year Ending December 31:

2014	\$ 6,180
2015	4,290
2016	<u>2,400</u>
Total Minimum Lease Payments	<u>\$ 12,870</u>

NOTE 6: TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of \$52,600 for program services and \$2,973 for the capital campaign. Expenditures for the building from capital campaign funds are shown as expenses on the statement of functional expenses.

NOTE 7: TAX POSITION

As a tax-exempt organization under Internal Revenue Code (IRC) Section 501(C)(3), the Organization is required to file a Form 990, Return of Organization Exempt from Income Tax each year, which is subject to a three year examination. In addition, if the organization has unrelated business income it is required to file a Form 990-T, Exempt Organization Business Income Tax Return and pay tax on any net income. It is the determination of management that this is not required for the year included in these financial statements.