

JACKSON COUNTY CASA
INDEPENDENT AUDITOR'S REPORT AND
FINANCIAL STATEMENTS
DECEMBER 31, 2014

JACKSON COUNTY CASA

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David Emerick
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EMERICK & COMPANY, P.C.

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, 2014, 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 Jackson County CASA as of December 31, 2014, 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.

Emerick & Company, P.C.

Kansas City, Missouri
May 27, 2015

**JACKSON COUNTY CASA
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2014**

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 816,031
Pledges receivable	1,000
Unemployment trust fund	16,849
Prepaid expenses	11,276
Total Current Assets	<u>845,156</u>

PROPERTY AND EQUIPMENT

Building	310,000
Furniture and equipment	46,768
Less accumulated depreciation and amortization	(43,726)
Total Property and Equipment	<u>313,042</u>

NONCURRENT ASSETS

Pledges receivable	1,000
Total Noncurrent Assets	<u>1,000</u>

TOTAL ASSETS **\$ 1,159,198**

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 6,140
Accrued expenses	14,475
Accrued payroll	60,230
Total Current Liabilities	<u>80,845</u>

TOTAL LIABILITIES **80,845**

NET ASSETS

Unrestricted	
Invested in fixed assets	313,042
Invested in operations	719,577
Total unrestricted	<u>1,032,619</u>
Temporarily restricted	45,734
Total Net Assets	<u>1,078,353</u>

TOTAL LIABILITIES AND NET ASSETS **\$ 1,159,198**

See Notes to Financial Statements

**JACKSON COUNTY CASA
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2014**

SUPPORT AND REVENUE	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Foundation support	\$ 271,509	\$ 204,886	\$ 476,395
United Way/Combined Federal Campaign	105,061	-	105,061
Corporate contributions	33,257	-	33,257
Individual and other donations	117,660	-	117,660
County government support	160,514	-	160,514
Federal/State program support	87,652	-	87,652
Special events	\$ 340,819		
Less expense	<u>(64,598)</u>		
Net revenue from special events	276,221	-	276,221
In-kind goods and services	565,239	-	565,239
Interest income	328	-	328
Other income	225	-	225
Capital campaign	-	5,000	5,000
Assets released from restrictions	219,725	<u>(219,725)</u>	-
TOTAL SUPPORT AND REVENUE	<u>1,837,391</u>	<u>(9,839)</u>	<u>1,827,552</u>
 EXPENSES			
Program Services	<u>1,357,225</u>	<u>-</u>	<u>1,357,225</u>
Supporting Services			
Administrative	218,751	-	218,751
Fundraising	<u>127,918</u>	<u>-</u>	<u>127,918</u>
Total supporting services expenses	<u>346,669</u>	<u>-</u>	<u>346,669</u>
TOTAL EXPENSES	<u>1,703,894</u>	<u>-</u>	<u>1,703,894</u>
 CHANGE IN NET ASSETS	 133,497	 (9,839)	 123,658
 NET ASSETS, BEGINNING OF YEAR	 <u>899,122</u>	 <u>55,573</u>	 <u>954,695</u>
 NET ASSETS, END OF YEAR	 <u>\$ 1,032,619</u>	 <u>\$ 45,734</u>	 <u>\$ 1,078,353</u>

See Notes to Financial Statements

**JACKSON COUNTY CASA
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Program Services	Supporting Services			Total Expenses
		Administrative	Fundraising	Total	
Salaries and wages	\$ 567,159	\$ 122,263	\$ 71,882	\$ 194,145	\$ 761,304
Payroll taxes and benefits	134,654	15,760	13,705	29,465	164,119
Total personnel expense	<u>701,813</u>	<u>138,023</u>	<u>85,587</u>	<u>223,610</u>	<u>925,423</u>
In-kind donations and services	565,239	-	-	-	565,239
Equipment rental	2,215	3,207	-	3,207	5,422
Professional fees	3,375	31,546	11,888	43,434	46,809
Postage and delivery	83	255	5,665	5,920	6,003
Insurance	13,702	5,396	-	5,396	19,098
Marketing	1,166	3,321	16,920	20,241	21,407
Travel	4,466	668	2,046	2,714	7,180
Volunteer training and development	18,175	99	717	816	18,991
Meetings and meals	2,450	5,167	3,433	8,600	11,050
Office expense	7,106	6,494	7	6,501	13,607
Technology	6,163	5,416	833	6,249	12,412
Utilities	3,931	7,632	-	7,632	11,563
Telephone	4,281	3,658	-	3,658	7,939
Miscellaneous	160	250	-	250	410
Repairs and maintenance	5,911	4,072	-	4,072	9,983
Depreciation	14,129	-	-	-	14,129
Dues and subscriptions	2,860	1,561	280	1,841	4,701
Bank service fees	-	1,986	542	2,528	2,528
	<u>\$ 1,357,225</u>	<u>\$ 218,751</u>	<u>\$ 127,918</u>	<u>\$ 346,669</u>	<u>\$ 1,703,894</u>

See Notes to Financial Statements

**JACKSON COUNTY CASA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014**

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 123,658
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	14,129
Changes in:	
Prepaid expenses	(6,241)
Unemployment trust fund	(1,949)
Pledges receivable	1,428
Accounts payable	3,078
Accrued expenses	199
Accrued payroll	<u>12,773</u>
Net cash provided by operating activities	<u>147,075</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases and disposals of property and equipment, net	<u>(16,864)</u>
Net cash used by investing activities	<u>(16,864)</u>
INCREASE IN CASH AND CASH EQUIVALENTS	130,211
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>685,820</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 816,031</u></u>

See Notes to Financial Statements

**JACKSON COUNTY CASA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

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, and 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.

Cash and Equivalents

Cash and equivalents include bank accounts as well as certificates of deposit purchased with a maturity of three months or less. Interest income on the certificates of deposit is recorded as income when earned.

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 five to seven years.

Fundraising

The Organization receives roughly 18% 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 \$21.17 per

**JACKSON COUNTY CASA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

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

Contributed Services (Continued)

hour based on the *Independent Sector* – Research Value of Volunteer Time for 2014. This amount of \$565,239 is included in program services and support and revenue, having no effect on the change in net assets for the year.

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 (IRC) 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 May 27, 2015 which is the date the financial statements were available to be issued.

**JACKSON COUNTY CASA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

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.

As of December 31, 2014, 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	\$ 1,000	\$ -	\$ 1,000
One to five years	1,000	-	1,000
 Total	 <u>\$ 2,000</u>	 <u>\$ -</u>	 <u>\$ 2,000</u>

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: 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 \$14,474 in matching funds for the year ended December 31, 2014.

The Organization also has a retirement plan which is a qualified employee benefit plan under IRC Section 403(b). No employer or employee contributions were made to the plan during the year ended December 31, 2014.

NOTE 4: LEASE COMMITMENTS

The Organization has a lease agreement for its copier. Rent expense under the terms of the lease is \$425 per month. The lease terminates in December, 2019. 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, 2014**

NOTE 4: LEASE COMMITMENTS (CONTINUED)

Future minimum lease payments under operating leases as of December 31, 2014 are:

2015	\$ 7,500
2016	6,100
2017	5,100
2018	5,100
2019	<u>4,675</u>
	<u>\$ 28,475</u>

NOTE 5: TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of \$15,381 for program services, \$30,353 computers. Expenditures for the building from capital campaign funds are shown as expenses on the statement of functional expenses.

NOTE 6: TAX POSITION

As a tax-exempt organization under 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.