

JACKSON COUNTY CASA
INDEPENDENT AUDITOR'S REPORT AND
FINANCIAL STATEMENTS
DECEMBER 31, 2015

JACKSON COUNTY CASA

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EMERICK & COMPANY, P.C.

David Emerick
Rick Hann

CERTIFIED PUBLIC ACCOUNTANTS, AUDITING AND TAX 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, 2015, 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, 2015, 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
August 10, 2016

**JACKSON COUNTY CASA
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2015**

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 926,306
Grants receivable	184,000
Pledges receivable	1,000
Unemployment trust fund	17,930
Prepaid expenses	14,385
Total Current Assets	<u>1,143,621</u>

PROPERTY AND EQUIPMENT

Building	310,000
Furniture and equipment	89,681
Less accumulated depreciation and amortization	(60,936)
Total Property and Equipment	<u>338,745</u>

NONCURRENT ASSETS

Grants receivable	79,000
Total Noncurrent Assets	<u>79,000</u>

TOTAL ASSETS

\$ 1,561,366

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 3,522
Accrued expenses	16,668
Accrued payroll	71,929
Total Current Liabilities	<u>92,119</u>

TOTAL LIABILITIES

92,119

NET ASSETS

Unrestricted	
Invested in fixed assets	338,745
Unreserved	775,016
Total unrestricted	<u>1,113,761</u>

Temporarily restricted	355,486
Total Net Assets	<u>1,469,247</u>

TOTAL LIABILITIES AND NET ASSETS

\$ 1,561,366

See Notes to Financial Statements

**JACKSON COUNTY CASA
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2015**

SUPPORT AND REVENUE	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Foundation support	\$ 415,100	\$ 452,000	\$ 867,100
United Way/combined federal campaign	110,331	-	110,331
Corporate contributions	54,091	-	54,091
Individual and other donations	199,356	-	199,356
County government support	152,944	-	152,944
Federal/State program support	82,917	-	82,917
Special events	223,972	39,000	262,972
Less expense	(59,497)	-	(59,497)
In-kind goods and services	578,469	-	578,469
Interest income	430	-	430
Other income	755	-	755
Assets released from restrictions	181,249	(181,249)	-
TOTAL SUPPORT AND REVENUE	<u>1,940,117</u>	<u>309,751</u>	<u>2,249,868</u>
 EXPENSES			
Program Services	<u>1,517,816</u>	<u>-</u>	<u>1,517,816</u>
Supporting Services			
Administrative	236,715	-	236,715
Fundraising	104,444	-	104,444
Total supporting services expenses	<u>341,159</u>	<u>-</u>	<u>341,159</u>
TOTAL EXPENSES	<u>1,858,975</u>	<u>-</u>	<u>1,858,975</u>
 CHANGE IN NET ASSETS	 81,142	 309,751	 390,893
 NET ASSETS, BEGINNING OF YEAR	 <u>1,032,619</u>	 <u>45,735</u>	 <u>1,078,354</u>
 NET ASSETS, END OF YEAR	 <u>\$ 1,113,761</u>	 <u>\$ 355,486</u>	 <u>\$ 1,469,247</u>

See Notes to Financial Statements

**JACKSON COUNTY CASA
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Program Services	Supporting Services			Total Expenses
		Administrative	Fundraising	Total	
Salaries and wages	\$ 705,782	\$ 127,631	\$ 46,396	\$ 174,027	\$ 879,809
Payroll taxes and benefits	142,163	25,708	9,345	35,053	177,216
Total personnel expense	<u>847,945</u>	<u>153,339</u>	<u>55,741</u>	<u>209,080</u>	<u>1,057,025</u>
In-kind donations and services	578,469	-	-	-	578,469
Equipment rental	5,104	3,402	-	3,402	8,506
Professional fees	1,500	30,443	18,000	48,443	49,943
Postage and delivery	130	260	6,109	6,369	6,499
Insurance	13,553	5,271	-	5,271	18,824
Marketing	848	2,544	13,568	16,112	16,960
Travel	8,606	1,388	3,887	5,275	13,881
Volunteer training and development	13,684	960	-	960	14,644
Meetings and meals	2,563	5,475	3,612	9,087	11,650
Office expense	9,121	8,420	-	8,420	17,541
Technology	7,272	6,400	873	-	14,545
Utilities	3,894	9,085	-	9,085	12,979
Telephone	4,012	3,418	-	3,418	7,430
Miscellaneous	186	501	-	501	687
Repairs and maintenance	1,454	969	-	969	2,423
Depreciation	17,210	-	-	-	17,210
Dues and subscriptions	2,265	2,118	1,974	4,092	6,357
Bank service fees	-	2,722	680	3,402	3,402
	<u>\$ 1,517,816</u>	<u>\$ 236,715</u>	<u>\$ 104,444</u>	<u>\$ 341,159</u>	<u>\$ 1,858,975</u>

See Notes to Financial Statements

**JACKSON COUNTY CASA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015**

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 390,893
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	17,210
Changes in:	
Grants receivable	(263,000)
Pledges receivable	1,000
Unemployment trust fund	(1,081)
Prepaid expenses	(3,109)
Accounts payable	(2,618)
Accrued expenses	2,193
Accrued payroll	<u>11,699</u>
Net cash provided by operating activities	<u>153,187</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of property and equipment	<u>(42,912)</u>
Net cash used by investing activities	<u>(42,912)</u>
INCREASE IN CASH AND CASH EQUIVALENTS	110,275
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>816,031</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 926,306</u>

See Notes to Financial Statements

**JACKSON COUNTY CASA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

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. At various times during the year, cash balances held at banks may exceed the federally insured limit of \$250,000 per bank. The Organization has not experienced any losses due to these credit risks.

Fixed Assets

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-raising special events. The related fundraising costs are supplies and materials for the Light of Hope Breakfast, the Carnival for CASA, and other expenses arising from 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.

Grants and Pledges Receivable

Unconditional promises to give, including certain multi-year grants, are recorded as revenues or gains in the period awarded and as assets, decrease of liabilities, or expenses depending on the form of the benefits received.

**JACKSON COUNTY CASA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

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

Grants and Pledges Receivable (Continued)

Conditional promises to give are recognized when the conditions upon which they depend are substantially met. Based on past experience, no allowance for doubtful accounts is considered necessary.

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. GAAP requires recognition of professional services received if those services (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The value of these services is reflected in the accompanying statement of activities. Their time has been valued at \$23.56 per hour based on the *Independent Sector* – Research Value of Volunteer Time for 2015. This amount of \$578,469 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

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.

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 period.

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.

**JACKSON COUNTY CASA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

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

Subsequent Events

Subsequent events have been evaluated through August 10, 2016 which is the date the financial statements were available to be issued.

NOTE 2: 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 \$15,689 in matching funds for the year ended December 31, 2015.

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, 2015.

NOTE 3: 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.

Future minimum lease payments under operating leases as of December 31, 2015 are:

2016	\$ 6,100
2017	5,100
2018	5,100
2019	<u>4,675</u>
	<u>\$ 20,975</u>

NOTE 4: TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are restricted for the following purposes or time restrictions as of December 31, 2015:

Special events	\$ 39,000
Volunteer recruiting	5,000
Older foster youth	55,305
Salary / benefits	115,480
Program services	10,701
Time restricted	<u>130,000</u>
	<u>\$ 355,486</u>