

JACKSON COUNTY CASA
INDEPENDENT AUDITOR'S REPORT AND
FINANCIAL STATEMENTS
DECEMBER 31, 2016

JACKSON COUNTY CASA

DECEMBER 31, 2016

	<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 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, 2016, 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, 2016, 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
July 28, 2017

**JACKSON COUNTY CASA
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2016**

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 803,326
Grants receivable	79,000
Pledges receivable	8,115
Unemployment trust fund	18,242
Prepaid expenses	20,515
Total Current Assets	929,198

INVESTMENTS

54,449

PROPERTY AND EQUIPMENT

Building	310,000
Furniture and equipment	97,056
Less accumulated depreciation	(61,209)
Total Property and Equipment	345,847

TOTAL ASSETS

\$ 1,329,494

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 4,915
Accrued expenses	18,568
Accrued payroll	83,724
Total Current Liabilities	107,207

NET ASSETS

Unrestricted	
Invested in fixed assets	345,847
Undesignated	626,881
Total unrestricted	972,728

Temporarily restricted	249,559
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Total Net Assets	1,222,287
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TOTAL LIABILITIES AND NET ASSETS

\$ 1,329,494

See Notes to Financial Statements

**JACKSON COUNTY CASA
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2016**

SUPPORT AND REVENUE	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Foundation support	\$ 280,214	\$ 138,820	\$ 419,034
United Way/combined federal campaign	97,738	-	97,738
Corporate contributions	83,308	-	83,308
Individual and other donations	122,388	-	122,388
County government support	181,817	-	181,817
Federal/State program support	83,339	-	83,339
Special events	292,826	33,000	325,826
Less expense	(64,456)	-	(64,456)
In-kind goods and services	573,072	-	573,072
Interest income	1,522	-	1,522
Other income	6,361	-	6,361
Assets released from restrictions	277,747	(277,747)	-
TOTAL SUPPORT AND REVENUE	<u>1,935,876</u>	<u>(105,927)</u>	<u>1,829,949</u>
 EXPENSES			
Program Services	<u>1,648,877</u>	<u>-</u>	<u>1,648,877</u>
Supporting Services			
Administrative	305,494	-	305,494
Fundraising	122,538	-	122,538
Total supporting services expenses	<u>428,032</u>	<u>-</u>	<u>428,032</u>
TOTAL EXPENSES	<u>2,076,909</u>	<u>-</u>	<u>2,076,909</u>
 CHANGE IN NET ASSETS	 (141,033)	 (105,927)	 (246,960)
 NET ASSETS, BEGINNING OF YEAR	 <u>1,113,761</u>	 <u>355,486</u>	 <u>1,469,247</u>
 NET ASSETS, END OF YEAR	 <u><u>\$ 972,728</u></u>	 <u><u>\$ 249,559</u></u>	 <u><u>\$ 1,222,287</u></u>

See Notes to Financial Statements

**JACKSON COUNTY CASA
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Program Services	Supporting Services			Total Expenses
		Administrative	Fundraising	Total	
Salaries and wages	\$ 774,144	\$ 205,370	\$ 48,978	\$ 254,348	\$ 1,028,492
Payroll taxes and benefits	173,085	29,202	13,783	42,985	216,070
Total personnel expense	<u>947,229</u>	<u>234,572</u>	<u>62,761</u>	<u>297,333</u>	<u>1,244,562</u>
In-kind goods and services	573,072	-	-	-	573,072
Equipment rental	-	6,285	-	6,285	6,285
Professional fees	-	21,829	26,741	48,570	48,570
Postage and delivery	-	845	7,926	8,771	8,771
Insurance	17,341	1,652	1,652	3,304	20,645
Marketing	82	-	13,845	13,845	13,927
Travel	7,567	1,125	1,325	2,450	10,017
Volunteer training and development	8,190	-	-	-	8,190
Assistance to families	31,952	-	-	-	31,952
Meetings and meals	2,438	7,777	1,134	8,911	11,349
Office expense	1,992	20,290	118	20,408	22,400
Technology	12,188	1,095	1,095	2,190	14,378
Utilities	11,683	1,112	1,112	2,224	13,907
Telephone	5,955	567	567	1,134	7,089
Miscellaneous	-	330	390	720	720
Repairs and maintenance	6,183	588	589	1,177	7,360
Depreciation	14,732	1,403	1,403	2,806	17,538
Dues and subscriptions	8,273	2,380	1,880	4,260	12,533
Bank service fees	-	3,644	-	3,644	3,644
	<u>\$ 1,648,877</u>	<u>\$ 305,494</u>	<u>\$ 122,538</u>	<u>\$ 428,032</u>	<u>\$ 2,076,909</u>

See Notes to Financial Statements

**JACKSON COUNTY CASA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016**

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (246,960)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	17,538
Changes in:	
Grants receivable	184,000
Pledges receivable	(7,115)
Unemployment trust fund	(312)
Prepaid expenses	(6,130)
Accounts payable	1,393
Accrued expenses	1,900
Accrued payroll	<u>11,795</u>
Net cash used by operating activities	<u>(43,891)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Net purchases and disposals of equipment	(24,640)
Purchase of investments	<u>(54,449)</u>
Net cash used by investing activities	<u>(79,089)</u>
DECREASE IN CASH AND CASH EQUIVALENTS	(122,980)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>926,306</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 803,326</u></u>

See Notes to Financial Statements

**JACKSON COUNTY CASA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

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. Items are capitalized if greater than \$1,000 and have a useful life greater than twelve months. 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 14% percent of their support through 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.

**JACKSON COUNTY CASA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

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 total of 343 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. Volunteer services have been valued at \$21.57 per hour based on the *Independent Sector* – Research Value of Volunteer Time for 2016. This amount of \$573,072 is included in program services expense and in 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, 2016**

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

Subsequent Events

Subsequent events have been evaluated through July 28, 2017, 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 \$13,657 in matching funds for the year ended December 31, 2016.

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, 2016.

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.

Future minimum lease payments under operating leases as of December 31, 2016 are:

2017	\$ 5,100
2018	5,100
2019	<u>4,675</u>
	<u>\$ 14,875</u>

NOTE 4: TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are restricted for the following purposes or time restrictions as of December 31, 2016:

Special events	\$ 33,000
Building improvements	16,320
Older foster youth	53,174
Salary / benefits	79,740
Program services	52,325
Time restricted	<u>15,000</u>
	<u>\$ 249,559</u>

**JACKSON COUNTY CASA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 5: FAIR VALUE MEASUREMENTS

Fair values of assets measured at December 31, 2016 are as follows:

	<u>Fair Value Measurements at the End of the Reporting Period Using</u>			
	<u>Total</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<u>Recurring fair value measurements:</u>				
Mutual fund	\$ 54,449	\$ 54,449	\$ -	\$ -
Total	<u>54,449</u>	<u>54,449</u>	<u>-</u>	<u>-</u>
 Total investments	 \$ 54,449	 \$ 54,449	 \$ -	 \$ -