

CASA OF OKLAHOMA COUNTY, INC.

FINANCIAL REPORT

JUNE 30, 2016 and 2015

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
CASA of Oklahoma County, Inc.

We have audited the accompanying financial statements of CASA of Oklahoma County, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 CASA of Oklahoma County, Inc. as of June 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Linton & Co., PLLC

Oklahoma City, Oklahoma
November 17, 2016

CASA OF OKLAHOMA COUNTY, INC.

STATEMENTS OF FINANCIAL POSITION

June 30, 2016 and 2015

ASSETS	2016	2015
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,031,009	\$ 797,070
Certificates of deposit	150,980	285,232
Accounts receivable	66,099	76,430
Prepaid expense	-	8,807
Total current assets	<u>1,248,088</u>	<u>1,167,539</u>
PROPERTY AND EQUIPMENT		
Furniture and equipment	52,243	49,797
Leasehold improvements	14,503	14,503
	<u>66,746</u>	<u>64,300</u>
Less accumulated depreciation	57,330	53,146
	<u>9,416</u>	<u>11,154</u>
OTHER ASSETS		
Funds held by community foundations	164,626	173,093
	<u>164,626</u>	<u>173,093</u>
	<u>\$ 1,422,130</u>	<u>\$ 1,351,786</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 4,552	\$ 6,899
Accrued vacation	37,828	36,643
Total current liabilities	<u>42,380</u>	<u>43,542</u>
NET ASSETS		
Unrestricted-undesignated	321,474	239,351
Unrestricted-board designated expansion	200,000	200,000
Unrestricted-board designated operating reserve	650,000	650,000
Unrestricted-board designated endowment	164,626	173,093
	<u>1,336,100</u>	<u>1,262,444</u>
Temporarily restricted	43,650	45,800
	<u>1,379,750</u>	<u>1,308,244</u>
	<u>\$ 1,422,130</u>	<u>\$ 1,351,786</u>

The Notes to Financial Statements are an integral part of these statements.

CASA OF OKLAHOMA COUNTY, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Years Ended June 30, 2016 and 2015

	2016		2015		Total
	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted	
Revenue and support					
Contributions	\$ 513,672	\$ 12,850	\$ 526,522	\$ 16,000	\$ 574,117
Grants and contracts	482,898	-	482,898	-	389,175
Special events	157,952	-	157,952	-	206,662
Investment income	4,479	-	4,479	-	7,982
Loss on sale of securities In-kind	-	-	-	(349)	(349)
	45,489	-	45,489	-	47,656
Net assets released from restriction	15,000	(15,000)	-	(242)	-
Total revenue and support	1,219,490	(2,150)	1,217,340	15,758	1,225,243
Expenses					
Program services	846,510	-	846,510	-	843,537
Management and general	125,848	-	125,848	-	113,261
Fundraising	173,476	-	173,476	-	182,966
Total expenses	1,145,834	-	1,145,834	-	1,139,764
Change in net assets	73,656	(2,150)	71,506	15,758	85,479
Net assets, beginning of year	1,262,444	45,800	1,308,244	30,042	1,222,765
Net assets, end of year	\$ 1,336,100	\$ 43,650	\$ 1,379,750	\$ 45,800	\$ 1,308,244

The Notes to Financial Statements are an integral part of these statements.

CASA OF OKLAHOMA COUNTY, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended June 30, 2016 and 2015

	2016			
	Program Services	Management and General	Fundraising	Total
Salaries	\$ 632,082	\$ 57,027	\$ 88,851	\$ 777,960
Employee benefits	58,931	7,118	1,430	67,479
Payroll taxes	46,418	4,188	6,878	57,484
Advertising and marketing	8,183	163	1,718	10,064
Awards and events	6,834	69	422	7,325
Conference and meetings	7,573	1,949	1,016	10,538
Depreciation expense	2,394	1,075	715	4,184
Direct care	7,248	-	-	7,248
Dues and subscriptions	14,781	1,302	75	16,158
Occupancy	24,612	2,880	1,440	28,932
Office expense	18,075	8,526	10,235	36,836
Professional fees	11,371	40,126	5,893	57,390
Small equipment	8,008	1,425	-	9,433
Special events	-	-	54,803	54,803
	<u>\$ 846,510</u>	<u>\$ 125,848</u>	<u>\$ 173,476</u>	<u>\$ 1,145,834</u>

The Notes to Financial Statements are an integral part of these statements.

CASA OF OKLAHOMA COUNTY, INC.

STATEMENTS OF FUNCTIONAL EXPENSES, continued
 Years Ended June 30, 2016 and 2015

	2015			
	Program Services	Management and General	Fundraising	Total
Salaries	\$ 636,962	\$ 53,801	\$ 81,403	\$ 772,166
Employee benefits	66,774	3,708	1,796	72,278
Payroll taxes	46,339	3,785	6,279	56,403
Advertising and marketing	100	-	460	560
Awards and events	10,423	234	-	10,657
Conference and meetings	8,867	200	421	9,488
Depreciation expense	2,988	1,407	1,103	5,498
Direct care	590	-	-	590
Dues and subscriptions	13,015	741	93	13,849
Occupancy	24,612	2,880	1,440	28,932
Office expenses	20,080	8,759	13,842	42,681
Professional fees	8,000	37,112	6,128	51,240
Small equipment	4,787	634	15	5,436
Special events	-	-	69,986	69,986
	<u>\$ 843,537</u>	<u>\$ 113,261</u>	<u>\$ 182,966</u>	<u>\$ 1,139,764</u>

The Notes to Financial Statements are an integral part of these statements.

CASA OF OKLAHOMA COUNTY, INC.

STATEMENTS OF CASH FLOWS
 Years Ended June 30, 2016 and 2015

Cash flows from operating activities:	2016	2015
Change in net assets	\$ 71,506	\$ 85,479
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	4,184	5,498
Unrealized (gain) loss on funds held by community foundations	8,467	3,436
(Increase) decrease in accounts receivable	10,331	14,623
(Increase) decrease in prepaid expense	8,807	(8,807)
Increase (decrease) in accounts payable and accrued expenses	<u>(1,162)</u>	<u>10,759</u>
Net cash provided (used) by operating activities	<u>102,133</u>	<u>110,988</u>
 Cash flows from investing activities:		
Proceeds (purchases) from certificates of deposit	134,252	1,644
Purchases of fixed assets	<u>(2,446)</u>	<u>-</u>
Net cash provided (used) by investing activities	<u>131,806</u>	<u>1,644</u>
 Net increase (decrease) in cash	233,939	112,632
 Cash and cash equivalents at beginning of year	<u>797,070</u>	<u>684,438</u>
 Cash and cash equivalents at end of year	<u>\$ 1,031,009</u>	<u>\$ 797,070</u>

The Notes to Financial Statements are an integral part of these statements.

CASA OF OKLAHOMA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2016 and 2015

Note 1. Organization and Summary of Significant Accounting Policies

Organization

CASA of Oklahoma County's mission is to provide trained court appointed volunteers who advocate for the best interest of abused and neglected children in the juvenile court system. Simply stated, we give a voice and a caring adult to a child during a very scary time in their lives, the journey into a world of strangers. The program's goal is to achieve safe, stable, permanent homes for each and every child served. Implemented in the fall of 1987 as a department under the Oklahoma County Juvenile Bureau, Oklahoma County CASA trained its first class of advocate volunteers in March 1988. As of September 17, 2007, CASA of Oklahoma County, Inc. was incorporated as its own 501(c)(3) organization, and effective July 1, 2008 separated from Oklahoma County in an effort to diversify funding and expand its ability to serve Oklahoma County's most vulnerable children. The program is a member of both the National CASA and Oklahoma CASA associations.

CASA receives revenue from the Oklahoma CASA Association, Inc., Victim of Crime Act (VOCA), Oklahoma County, and the National CASA Association in the form of grants, as well as support from corporations, foundations, and individuals.

Basis of presentation

CASA reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. CASA had no permanently restricted net assets at June 30, 2016 and 2015.

Revenue recognition

Revenues, gains, and other support are reported as increases in unrestricted net assets. Amounts received that are restricted by the donor for specific purposes or periods of time are reported as temporarily restricted support that increases the temporarily restricted net asset class. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities and changes in net assets as net assets released from restrictions. Expenses are reported as decreases in unrestricted net assets only. Gains and losses on investments and other assets and liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenues of unrestricted net assets.

Property and equipment

Fixed assets are recorded at cost, or fair value if donated, and depreciated using the straight-line method over an estimated useful life of five to ten years.

Maintenance and repairs which do not improve or extend the useful lives of the assets are expensed as incurred. It is CASA's policy to capitalize additions and betterments costing more than \$1,000. Upon retirement or replacement, the costs and accumulated depreciation are removed from the respective accounts and the differences are included in changes in net assets.

CASA OF OKLAHOMA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS
June 30, 2016 and 2015

Note 1. Organization and Summary of Significant Accounting Policies, continued

Cash and cash equivalents

For purposes of the statements of cash flows, CASA considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

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 amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Compensated absences

Employee rights to receive compensation for future absences are recognized in the period such rights are earned.

Functional expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated among the programs and activities benefited. The program expense consists of case management, recruiting, and training.

Income tax status

The Organization is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. Therefore, no income tax provision has been included in the financial statements.

In-kind donations

In-kind donations of goods and services are recorded in the financial statements at the estimated value of such goods and services. CASA receives donated rent, utilities, and telephone service from Oklahoma County. During the year, CASA also received various in-kind donations for their special events.

CASA also receives significant volunteer services in conjunction with the advocacy program. These services qualify for in-kind matching for some of its grant funding, but do not meet the requirements for recognition in the financial statements. For the years 2016 and 2015, CASA volunteers recorded approximately 16,026 and 16,601 hours of service in each year valued at \$377,573 and \$356,091, respectively, based on volunteer hourly rates approved by the granting source.

CASA OF OKLAHOMA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS
June 30, 2016 and 2015

Note 1. Organization and Summary of Significant Accounting Policies, continued

Concentration of credit risk

CASA's cash balances in financial institutions at times may exceed federally insured limits. At June 30, 2016, CASA had approximately \$332,534 in financial institutions that exceeded federally insured limits. The balances are split between two financial institutions and the maximum exposure of a single institution is \$302,938.

Note 2. Accrued Compensated Absences

CASA provides paid annual and sick leave (PTO) to its employees. All full time employees are eligible for PTO; accrual of which varies depending upon years of service. The maximum cumulative number of days any employee is eligible to accrue is 40 days. Upon reaching the maximum accrual of 40 days, employees may continue to earn, but any unused leave above 40 days will be lost at the end of the employee's calendar year. Part time employees accrue at one half the rate of full time employees. Since PTO is a combination of vacation and sick leave, upon leaving employment, any unused PTO time will be paid at half the rate and shall not exceed 20 days. Negative PTO balances may be deducted from terminating employees final pay check.

At June 30, 2016 and 2015, \$37,828 and \$36,643 had been accrued to recognize CASA's financial obligation for compensated absences.

Note 3. Temporarily Restricted Net Assets

Temporarily restricted net assets was comprised of the following:

	2016	2015
Operations - restricted for 2016-2017	\$ 15,000	\$ 15,000
Operations - restricted for 2015-2016	-	15,000
Operations - educational for advocacy	12,500	-
Operations - restricted for marketing	15,000	15,000
Operations - restricted for gas	1,050	800
Teen conference	<u>100</u>	<u>-</u>
	<u>\$ 43,650</u>	<u>\$ 45,800</u>

Note 4. Employee Retirement Plan

Effective January 1, 2013, CASA adopted a SIMPLE – IRA Plan. Employees are eligible to participate in the plan if they expect to receive at least \$5,000 in compensation in the current calendar year and have received at least \$5,000 during any one prior calendar year. The employees are eligible to make deferrals up to IRS limits and CASA will match the employees' contributions up to 3% of their compensation. CASA's contribution to the retirement plan for the year ended June 30, 2016 and 2015 was \$18,035 and \$19,008, respectively.

CASA OF OKLAHOMA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2016 and 2015

Note 5. Funds Held By Community Foundations

CASA invested \$150,000 with the Communities Foundation of Oklahoma (CFO) and \$12,000 with the Oklahoma City Community Foundation (OCCF). Both of these foundations maintain variance power over the funds. The distribution policy for both foundations is to distribute 5% of the average market value of the fund, which is calculated on a rolling quarter average of the previous eight quarters. The remaining investment return is left with the fund to add to the value, which protects the future revenue stream from inflation. Assets transferred by CASA, reciprocal transfers, are recognized in the statements of financial position. Contributions from third parties are maintained by each foundation in a separate account, the value of which is disclosed, but not recognized as assets of CASA. CASA receives distributions from these third party funds at the same rate as the reciprocal funds.

The market value and activity of these funds are as follows:

	CFO	OCCF	Total
Market Value at June 30, 2014	\$154,797	\$21,732	\$176,529
Net investment income	2,736	701	3,437
Distribution	<u>(5,941)</u>	<u>(932)</u>	<u>(6,873)</u>
Market value at June 30, 2015	\$151,592	\$21,501	\$173,093
Net investment income	(716)	96	(620)
Distribution	<u>(6,843)</u>	<u>(1,004)</u>	<u>(7,847)</u>
Market value at June 30, 2016	<u>\$144,033</u>	<u>\$20,593</u>	<u>\$164,626</u>

CASA OF OKLAHOMA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2016 and 2015

Note 5. Funds Held By Community Foundations, continued

Third Party Contributions:

	CFO	OCCF	Total
Original Gift as of June 30, 2015	<u>\$15,000</u>	<u>\$16,900</u>	<u>\$31,900</u>
Market value at June 30, 2015	<u>\$15,136</u>	<u>\$28,024</u>	<u>\$43,160</u>
Original Gift as of June 30, 2016	<u>\$15,000</u>	<u>\$16,900</u>	<u>\$31,900</u>
Market value at June 30, 2016	<u>\$14,448</u>	<u>\$26,847</u>	<u>\$41,295</u>

Note 6. Subsequent Events

Management has evaluated subsequent events, if any, through the report date of November 17, 2016, the date the report was available to be issued, and has determined that no events occurred which require disclosure in the financial statements.