

CASA OF OKLAHOMA COUNTY, INC.

FINANCIAL REPORT

JUNE 30, 2009

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
CASA of Oklahoma County, Inc.

We have audited the accompanying statement of financial position of CASA of Oklahoma County, Inc. (a nonprofit organization) as of June 30, 2009, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the CASA of Oklahoma County, Inc. management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2009, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Luton & Co., PLLC

Oklahoma City, Oklahoma
February 8, 2010

CASA OF OKLAHOMA COUNTY, INC.

STATEMENT OF FINANCIAL POSITION

June 30, 2009

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 452,315
Accounts receivable	38,651
Prepaid expense	431
Total current assets	<u>491,397</u>

PROPERTY AND EQUIPMENT

Furniture and equipment	38,333
Accumulated depreciation	(4,593)
	<u>33,740</u>

OTHER ASSETS

Funds held by community foundation	9,564
Cash restricted for computer equipment	20,295
	<u>29,859</u>
	<u>\$ 554,996</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 3,731
Accrued expenses	4,402
Total current liabilities	<u>8,133</u>

NET ASSETS

Unrestricted	495,454
Temporarily restricted	51,409
	<u>546,863</u>
	<u>\$ 554,996</u>

The Notes to Financial Statements are an integral part of this statement.

CASA OF OKLAHOMA COUNTY, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year ended June 30, 2009

	Unrestricted	Temporarily Restricted	Total
Revenue and support			
Contributions	\$ 87,194	\$ 91,851	\$ 179,045
Grants	344,131	-	344,131
Foundation income	22,000	50,000	72,000
Special events	75,355	-	75,355
Investment income	2,942	-	2,942
Miscellaneous	1,294	-	1,294
In-kind	13,825	-	13,825
Net assets released from restriction	90,442	(90,442)	-
Total revenue and support	<u>637,183</u>	<u>51,409</u>	<u>688,592</u>
Expenses			
Program services	477,540	-	477,540
Management and general	115,918	-	115,918
Fundraising	58,303	-	58,303
Total expenses	<u>651,761</u>	<u>-</u>	<u>651,761</u>
Change in net assets	(14,578)	51,409	36,831
Net assets, beginning of year	<u>510,032</u>	<u>-</u>	<u>510,032</u>
Net assets, end of year	<u>\$ 495,454</u>	<u>\$ 51,409</u>	<u>\$ 546,863</u>

The Notes to Financial Statements are an integral part of this statement.

CASA OF OKLAHOMA COUNTY, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2009

	Program Services	Management and General	Fundraising	Total
Salaries	\$ 324,678	\$ 37,652	\$ 14,829	\$ 377,159
Unemployment/workers comp	7,131	770	251	8,152
Employee benefits	39,090	4,904	1,032	45,026
Payroll taxes	24,638	2,761	1,134	28,533
Payroll processing fees	8,299	925	379	9,603
Special events	75	-	33,354	33,429
Outside printing	221	184	1,916	2,321
Recognition awards	2,744	225	735	3,704
Direct care	42,909	-	-	42,909
Repairs and maintenance	7,450	1,357	762	9,569
Occupancy	-	11,880	-	11,880
Insurance	-	2,565	-	2,565
Conference and training	3,762	120	61	3,943
Professional fees	2,676	45,723	150	48,549
Administrative 401K fees	-	3,406	-	3,406
Dues and subscriptions	4,095	479	21	4,595
Office supplies and postage	7,194	2,436	3,679	13,309
Depreciation expense	2,578	531	-	3,109
	<u>\$ 477,540</u>	<u>\$ 115,918</u>	<u>\$ 58,303</u>	<u>\$ 651,761</u>

The Notes to Financial Statements are an integral part of this statement.

CASA OF OKLAHOMA COUNTY, INC.

STATEMENT OF CASH FLOWS

Year Ended June 30, 2009

Cash flows from operating activities:

Change in net assets	\$ 36,831
Adjustments to reconcile change in net assets to net cash used in operating activities:	
(Increase) in cash restricted for computer equipment	(20,295)
Depreciation	3,109
Unrealized (gain) loss on funds held by community foundation	2,436
(Increase) decrease in accounts receivable	(30,792)
(Increase) decrease in prepaid insurance	(50)
Increase (decrease) in accounts payable and accrued expenses	(238)
Net cash provided (used) by operating activities	<u>(8,999)</u>

Cash flows from investing activities:

Purchases of equipment	<u>(32,717)</u>
Net cash provided (used) by investing activities	<u>(32,717)</u>

Net increase (decrease) in cash (41,716)

Cash and cash equivalents at beginning of year 494,031

Cash and cash equivalents at end of year \$ 452,315

The Notes to Financial Statements are an integral part of this statement.

CASA OF OKLAHOMA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

Note 1. Organization and Summary of Significant Accounting Policies

Organization

The Oklahoma County CASA program began in 1987 with the hiring of the first program coordinator under the auspices of the Oklahoma County Juvenile Bureau. The first training class graduated March of 1988. CASA of Oklahoma County, Inc. (CASA) incorporated as a 501(c)(3) September 17, 2007 and became an organization separate from the Oklahoma County Juvenile Bureau and Oklahoma County on July 1, 2008. Its mission is to provide trained court appointed volunteers who advocate for the best interests of abused and neglected children in the juvenile court system with a goal of achieving a stable and permanent home for each and every child.

The CASA of Oklahoma County, Inc. program is a member of both the National CASA Association and the Oklahoma CASA Association.

Basis of presentation

The accompanying financial statements have been presented in accordance with Financial Accounting Standards (SFAS) No. 117, *Financial Statements for Not-for-Profit Organizations*. Under SFAS No. 117, the Organization is required to report 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. Temporarily restricted net assets are restricted for computer equipment and training salary. The Organization had no permanently restricted net assets at June 30, 2009.

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 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 statement of activities 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. The organization receives a substantial amount of revenues from the National CASA Association, the Oklahoma CASA Association, Inc., Victim of Crime Act grants (VOCA), and Oklahoma County.

Contributions are recognized as revenues in the period received. Contributions of assets other than cash are recorded at their estimated fair value.

Cash and cash equivalents

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

CASA OF OKLAHOMA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

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

Property and equipment

Maintenance and repairs which do not improve or extend the useful lives of the assets are expensed as incurred. Additions and betterments are capitalized. 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.

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.

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. The organization has several fundraising events during the year.

Income tax status

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. As such, no provisions have been made for federal or state income taxes.

CASA OF OKLAHOMA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

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

Donated services

In-kind donations of goods and services are recorded in the financial statements at the estimated value of such goods and services. The Organization receives donated rent, utilities, and telephone service from Oklahoma County.

CASA also receives significant volunteer services in conjunction with the advocacy program. These services qualify for in-kind matching for some of the Organization's grant funding, but do not meet the requirements for recognition in the financial statements. During the year ended June 30, 2009, CASA volunteers recorded 14,788 hours of service valued at \$288,514 based on volunteer hourly rates approved by the granting source.

Concentration of credit risk

The Organization's cash balances in financial institutions at times may exceed federally insured limits. At June 30, 2009, the Organization had approximately \$14,025 in financial institutions that exceeded federally insured limits.

Note 2. Accrued Compensated Absences

CASA provides paid annual and sick leave (paid time off) to its employees. All full time employees are eligible for PTO, which varies depending upon years of service. If an employee has 0-2 years of service, he or she will receive 12 days PTO and will be credited at the rate of 3 days per quarter. Those employees have a maximum carryover of 3 days per year with a cumulative maximum of 6 days. Full time employees with 3-4 years of service receive 16 days PTO and will be credited at the rate of 4 days per quarter. Those employees have a maximum carryover of 4 days per year with a cumulative maximum of 14 days. Full time employees with 5 or more years of service will receive 20 days PTO credited at a rate of 5 days per quarter. Those employees will have a maximum carryover of 5 days per year with a cumulative maximum of 20 days. The Organization does not pay its employees in lieu of PTO. Since PTO is a combination of vacation and sick leave, upon leaving employment, any unused PTO time will be paid at one half the rate.

Part-time employees that work 20 hours but less than 40 hours per week will have no benefits other than PTO at one half the rate of full-time employees.

At June 30, 2009, \$3,858 had been accrued to recognize CASA's financial obligation for compensated absences.

Note 3. Temporarily Restricted Net Assets

At June 30, 2009, temporarily restricted net assets was comprised of the following:

Computer Equipment	\$ 20,295
Program Salaries	<u>31,114</u>
	<u>\$ 51,409</u>

CASA OF OKLAHOMA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

Note 4. Employee Retirement Plan

CASA provides a defined contribution retirement plan for their employees after 2 months of service. CASA matches 3% of the employee's contribution to the plan on behalf of participating individual employees if employees contribute 6%. If the employee contributes less than 6%, CASA does not provide a match to the plan. Employer contributions on behalf of individuals are fully vested when the employee completes 5 years of service. CASA's contribution to the plan for the year ended June 30, 2009 was \$7,480.

Note 5. Funds Held By Community Foundation

The Organization invested \$12,000 with the Oklahoma City Community Foundation on June 20, 2008. Foundation policy calls for distributing 5% of the funds average market value. The remaining investment return is left with the fund to add to the value, which protects the future income stream from inflation. A charge by OCCF for administrative duties is 4/10 of 1% of the market value of the fund. At June 30, 2009, the market value of the fund was \$9,564. Assets transferred by CASA remain on the statement of financial position. Contributions from third parties are disclosed below, but not recognized as assets of CASA.

	<u>Original Gift</u>	<u>Market Value</u>
Other gifts designated to CASA	\$16,900	\$15,166

Note 6. Subsequent Events

Management has evaluated subsequent events through the report date of February 8, 2010 and has determined there were none that required disclosure.