

CASA OF OKLAHOMA COUNTY, INC.

FINANCIAL REPORT

JUNE 30, 2012 and 2011

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## CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statements of financial position	2
Statements of activities and changes in net assets	3
Statements of functional expenses	4 - 5
Statements of cash flows	6
Notes to financial statements	7 - 10

# *Luton & Co., PLLC*

CERTIFIED PUBLIC ACCOUNTANTS

One Broadway Executive Park

201 NW 63<sup>rd</sup> Street, Suite 100

P.O. Box 13120

Oklahoma City, OK 73113

(405)848-7313 FAX (405)848-7316

Bruce L. Van Huisen  
David R. Brady

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
CASA of Oklahoma County, Inc.

We have audited the accompanying statements of financial position of CASA of Oklahoma County, Inc. (a nonprofit organization) as of June 30, 2012 and 2011, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years 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 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 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 audits provide 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, 2012 and 2011, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Luton & Co., PLLC*

Oklahoma City, Oklahoma  
October 8, 2012

CASA OF OKLAHOMA COUNTY, INC.

STATEMENTS OF FINANCIAL POSITION

June 30, 2012 and 2011

ASSETS	2012	2011
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 619,407	\$ 516,332
Certificate of deposit	282,036	279,223
Accounts receivable	51,445	39,906
Prepaid expense	507	13,617
Total current assets	<u>953,395</u>	<u>849,078</u>
<b>PROPERTY AND EQUIPMENT</b>		
Furniture and equipment	46,314	46,314
Leasehold improvements	812	-
	<u>47,126</u>	<u>46,314</u>
Less accumulated depreciation	<u>29,606</u>	<u>21,057</u>
	17,520	25,257
<b>OTHER ASSETS</b>		
Funds held by community foundation	18,807	13,082
	<u>18,807</u>	<u>13,082</u>
	<u>\$ 989,722</u>	<u>\$ 887,417</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 5,475	\$ 3,155
Accrued expenses	10,997	11,783
Total current liabilities	<u>16,472</u>	<u>14,938</u>
<b>NET ASSETS</b>		
Unrestricted	944,750	785,880
Unrestricted-board designated endowment	18,807	13,082
	<u>963,557</u>	<u>798,962</u>
Temporarily restricted	9,693	73,517
	<u>973,250</u>	<u>872,479</u>
	<u>\$ 989,722</u>	<u>\$ 887,417</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, 2012 and 2011

	2012			2011		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenue and support						
Contributions	\$ 451,050	\$ -	\$ 451,050	\$ 538,910	\$ -	\$ 538,910
Grants	169,995	43,500	213,495	261,283	34,767	296,050
Special events	190,272	-	190,272	105,895	38,750	144,645
Investment income	5,700	-	5,700	6,130	-	6,130
Loss on sale of securities	(1,078)	-	(1,078)	6,450	-	6,450
Miscellaneous	4,852	-	4,852	20	-	20
In-kind	25,104	-	25,104	40,262	-	40,262
Net assets released from restriction	107,324	(107,324)	-	52,000	(52,000)	-
Total revenue and support	953,219	(63,824)	889,395	1,010,950	21,517	1,032,467
Expenses						
Program services	539,933	-	539,933	532,045	-	532,045
Management and general	76,021	-	76,021	82,456	-	82,456
Fundraising	172,670	-	172,670	144,844	-	144,844
Total expenses	788,624	-	788,624	759,345	-	759,345
Change in net assets	164,595	(63,824)	100,771	251,605	21,517	273,122
Net assets, beginning of year	798,962	73,517	872,479	547,357	52,000	599,357
Net assets, end of year	\$ 963,557	\$ 9,693	\$ 973,250	\$ 798,962	\$ 73,517	\$ 872,479

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, 2012 and 2011

	2012			Total
	Program Services	Management and General	Fundraising	
Salaries	\$ 400,187	\$ 28,872	\$ 54,433	\$ 483,492
Unemployment/workers comp	1,893	343	259	2,495
Employee benefits	44,792	5,920	8,537	59,249
Payroll taxes	30,519	1,970	4,060	36,549
Payroll processing fees	-	2,822	-	2,822
Special events	-	-	88,443	88,443
Outside printing	2,729	1,526	1,737	5,992
Recognition awards	2,272	59	479	2,810
Direct care	230	-	476	706
Repairs and maintenance	8,869	1,221	351	10,441
Occupancy	22,207	2,221	675	25,103
Insurance	2,491	2,899	-	5,390
Conference and training	985	624	537	2,146
Professional fees	150	20,290	750	21,190
Retirement plan fees	633	1,617	-	2,250
Dues and subscriptions	3,575	336	-	3,911
Office supplies and postage	7,747	1,407	8,365	17,519
Depreciation expense	5,917	1,946	686	8,549
Advertising and marketing	4,737	1,948	2,882	9,567
	<u>\$ 539,933</u>	<u>\$ 76,021</u>	<u>\$ 172,670</u>	<u>\$ 788,624</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, 2012 and 2011

	2011			Total
	Program Services	Management and General	Fundraising	
Salaries	\$ 389,591	\$ 37,492	\$ 61,084	\$ 488,167
Unemployment/workers comp	1,710	358	267	2,335
Employee benefits	34,509	8,145	693	43,347
Payroll taxes	28,980	2,867	3,552	35,399
Payroll processing fees	-	2,672	-	2,672
Special events	-	-	65,103	65,103
Outside printing	3,557	44	1,092	4,693
Recognition awards	3,104	384	281	3,769
Direct care	540	-	-	540
Repairs and maintenance	9,983	865	177	11,025
Occupancy	28,557	2,856	869	32,282
Insurance	1,783	2,250	83	4,116
Conference and training	1,283	395	126	1,804
Professional fees	11,089	18,208	589	29,886
Retirement plan fees	1,161	1,522	121	2,804
Dues and subscriptions	3,209	360	-	3,569
Office supplies and postage	6,457	1,898	5,038	13,393
Depreciation expense	6,169	2,140	572	8,881
Advertising and marketing	363	-	5,197	5,560
	<u>\$ 532,045</u>	<u>\$ 82,456</u>	<u>\$ 144,844</u>	<u>\$ 759,345</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, 2012 and 2011

Cash flows from operating activities:	2012	2011
Change in net assets	\$ 100,771	\$ 273,122
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Donated fixed assets	-	(7,981)
Contributed stock	(51,078)	-
Depreciation	8,549	8,881
Loss (gain) on sale of stock	1,078	-
Unrealized (gain) loss on funds held by community foundation	(725)	(1,753)
(Increase) decrease in accounts receivable	(11,539)	(4,036)
(Increase) decrease in prepaid expense	13,110	(13,617)
Increase (decrease) in accounts payable and accrued expenses	1,534	(1,356)
Net cash provided (used) by operating activities	<u>61,700</u>	<u>253,260</u>
 Cash flows from investing activities:		
Purchase of community foundation funds	(5,000)	-
Purchase of certificate of deposit	(2,813)	(151,551)
Purchases of fixed assets	(812)	-
Proceeds from sale of stock	50,000	-
Net cash provided (used) by investing activities	<u>41,375</u>	<u>(151,551)</u>
 Net increase (decrease) in cash	103,075	101,709
 Cash and cash equivalents at beginning of year	<u>516,332</u>	<u>414,623</u>
 Cash and cash equivalents at end of year	<u>\$ 619,407</u>	<u>\$ 516,332</u>
 Supplemental disclosures:		
Donated fixed assets	<u>\$ -</u>	<u>\$ 7,981</u>
 Donated stocks	<u>\$ 51,078</u>	<u>\$ -</u>

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



CASA OF OKLAHOMA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2012 and 2011

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. CASA program is a member of both the National CASA Association and the Oklahoma CASA Association.

CASA receives a significant amount of revenues from the Oklahoma CASA Association, Inc., Victim of Crime Act (VOCA), and the Oklahoma County in the form of grants as well as public support from corporations 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, 2012 and 2011.

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 period 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 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.

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, 2012 and 2011

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

Cash and cash equivalents

For purposes of the statement 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. CASA has several fundraising events during the year.

Income tax status

No income tax provision has been included in the financial statements since this is a not-for-profit organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. CASA does not believe it has engaged in any activity that would result in an uncertain tax position. As a result, management does not believe that any uncertain tax positions currently exist and no loss contingency has been recognized in the accompanying financial statements. Tax statutes dictate that tax returns filed in any of the previous three reporting periods remain open to federal or state examination. Currently CASA has no open examination with either the Internal Revenue Service or state taxing authorities.

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.

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 2012 and 2011, CASA volunteers recorded approximately 16,251 and 15,337 hours of service in each year valued at \$354,109 and \$327,598, respectively, based on volunteer hourly rates approved by the granting source.

CASA OF OKLAHOMA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2012 and 2011

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

In-kind donations, continued

In addition to volunteer service contributed, CASA also receives a significant amount of advertising and promotional support from Tyler Media, Tyler Outdoor Advertising and Lamar Outdoor Advertising, including public service announcements and advertising placement on bus benches and billboards. These donations are extensive and are an integral part of promoting the services of CASA.

Concentration of credit risk

CASA's cash balances in financial institutions at times may exceed federally insured limits. At June 30, 2012 and 2011, CASA had approximately \$100,655 and \$45,674, respectively, in financial institutions that exceeded federally insured limits.

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. Maximum accrual is 20 days per 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 one half.

At June 30, 2012 and 2011, \$10,997 and \$11,783 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:

	2012	2011
Special event activity	\$ -	\$38,750
Operations - restricted for 2011-2012	-	25,000
Grants	<u>9,693</u>	<u>9,767</u>
	<u>\$9,693</u>	<u>\$73,517</u>

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 vest over time and are fully vested when the employee completes 5 years of service. CASA's contribution to the plan for the year ended June 30, 2012 and 2011 was \$13,907 and \$6,167, respectively.

CASA OF OKLAHOMA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2012 and 2011

Note 5. Funds Held By Community Foundation

CASA invested \$12,000 with the Oklahoma City Community Foundation on June 20, 2008. The Foundation has variance power over the fund and its policy calls for distributing 5% of the fund's average market value over the previous twelve quarters. The remaining investment return is left with the fund to add to the value, which protects the future income stream from inflation. At June 30, 2012 and 2011, the market value of the fund was \$18,807 and \$13,082 respectively. Assets transferred by CASA, reciprocal transfers, are recognized on the statements of financial position. Contributions from third parties are disclosed, but not recognized as assets of CASA. CASA has chosen to have the distribution reinvested in its funds at this time.

The balances and activity of the fund are as follows:

	2012	2011
Beginning of year	\$13,082	\$11,329
Reciprocal transfers	5,000	-
Net investment income	<u>725</u>	<u>1,753</u>
End of year	<u>\$18,807</u>	<u>\$13,082</u>

	2012		2011	
	Original Gift	Market Value	Original Gift	Market Value
Third party contributions	<u>\$16,900</u>	<u>\$23,310</u>	<u>\$16,900</u>	<u>\$18,792</u>

Note 6. Stock Contributed

During the year, CASA received as a donation 700 shares of British Petroleum and 878 shares of Value Line Premier Growth Fund valued at \$51,078. The stock was sold during the year at a loss of \$1,078.

Note 7. Subsequent Events

Management has evaluated subsequent events, if any, through the report date of October 8, 2012, the date the report was available to be issued, and has determined that no events occurred which require disclosure in the financial statements.