

CASA OF OKLAHOMA COUNTY, INC.

FINANCIAL REPORT

JUNE 30, 2013 and 2012

CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statements of financial position	3
Statements of activities and changes in net assets	4
Statements of functional expenses	5 - 6
Statements of cash flows	7
Notes to financial statements	8 - 11

Luton & Co., PLLC

CERTIFIED PUBLIC ACCOUNTANTS

One Broadway Executive Park
201 NW 63rd 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 financial statements of CASA of Oklahoma County, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2013 and 2012, 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 of 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, 2013 and 2012, 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
September 27, 2013

CASA OF OKLAHOMA COUNTY, INC.

STATEMENTS OF FINANCIAL POSITION
June 30, 2013 and 2012

ASSETS	2013	2012
CURRENT ASSETS		
Cash and cash equivalents	\$ 689,374	\$ 619,407
Certificates of deposit	284,431	282,036
Accounts receivable	28,692	51,445
Prepaid expense	-	507
Total current assets	<u>1,002,497</u>	<u>953,395</u>
PROPERTY AND EQUIPMENT		
Furniture and equipment	44,680	46,314
Leasehold improvements	12,653	812
	<u>57,333</u>	<u>47,126</u>
Less accumulated depreciation	<u>38,872</u>	<u>29,606</u>
	18,461	17,520
OTHER ASSETS		
Funds held by community foundation	19,911	18,807
	<u>19,911</u>	<u>18,807</u>
	<u>\$ 1,040,869</u>	<u>\$ 989,722</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 8,344	\$ 5,475
Accrued expenses	13,969	10,997
Total current liabilities	<u>22,313</u>	<u>16,472</u>
NET ASSETS		
Unrestricted	992,685	944,750
Unrestricted-board designated endowment	19,911	18,807
	<u>1,012,596</u>	<u>963,557</u>
Temporarily restricted	5,960	9,693
	<u>1,018,556</u>	<u>973,250</u>
	<u>\$ 1,040,869</u>	<u>\$ 989,722</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, 2013 and 2012

	2013			2012		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenue and support						
Contributions	\$ 537,054	\$ 11,500	\$ 548,554	\$ 503,634	\$ -	\$ 503,634
Grants	263,789	-	263,789	169,995	43,500	213,495
Special events	100,657	-	100,657	137,688	-	137,688
Investment income	6,278	-	6,278	5,700	-	5,700
Loss on sale of securities	(354)	-	(354)	(1,078)	-	(1,078)
Loss on disposal of assets	(368)	-	(368)	-	-	-
Miscellaneous	-	-	-	4,852	-	4,852
In-kind	136,004	-	136,004	25,104	-	25,104
Net assets released from restriction	15,233	(15,233)	-	107,324	(107,324)	-
Total revenue and support	1,058,293	(3,733)	1,054,560	953,219	(63,824)	889,395
Expenses						
Program services	758,036	-	758,036	539,933	-	539,933
Management and general	93,309	-	93,309	76,021	-	76,021
Fundraising	157,909	-	157,909	172,670	-	172,670
Total expenses	1,009,254	-	1,009,254	788,624	-	788,624
Change in net assets	49,039	(3,733)	45,306	164,595	(63,824)	100,771
Net assets, beginning of year	963,557	9,693	973,250	798,962	73,517	872,479
Net assets, end of year	\$ 1,012,596	\$ 5,960	\$ 1,018,556	\$ 963,557	\$ 9,693	\$ 973,250

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, 2013 and 2012

	2013			
	Program Services	Management and General	Fundraising	Total
Salaries	\$ 479,933	\$ 35,935	\$ 51,510	\$ 567,378
Unemployment/workers comp	2,477	357	263	3,097
Employee benefits	43,793	11,297	3,155	58,245
Payroll taxes	35,700	2,422	3,876	41,998
Special events	-	-	74,746	74,746
Outside printing	1,216	43	2,642	3,901
Recognition awards	6,319	141	119	6,579
Direct care	815	-	-	815
Occupancy	22,207	2,221	676	25,104
Insurance	1,901	2,261	112	4,274
Conference and training	9,024	1,875	2,040	12,939
Professional fees	12,903	31,032	5,634	49,569
Dues and subscriptions	8,816	740	75	9,631
Office supplies and postage	9,422	1,385	10,164	20,971
Depreciation expense	6,461	2,330	1,210	10,001
Advertising and marketing	107,909	426	1,044	109,379
Small equipment	9,140	844	643	10,627
	<u>\$ 758,036</u>	<u>\$ 93,309</u>	<u>\$ 157,909</u>	<u>\$ 1,009,254</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, 2013 and 2012

	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
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	23,112	750	24,012
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 CASH FLOWS
Years Ended June 30, 2013 and 2012

Cash flows from operating activities:	2013	2012
Change in net assets	\$ 45,306	\$ 100,771
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Contributed stock	(50,413)	(51,078)
Depreciation	10,001	8,549
Loss (gain) on sale of stock	354	1,078
Loss (gain) on disposal of assets	368	-
Unrealized (gain) loss on funds held by community foundation	(1,103)	(725)
(Increase) decrease in accounts receivable	22,753	(11,539)
(Increase) decrease in prepaid expense	507	13,110
Increase (decrease) in accounts payable and accrued expenses	5,841	1,534
Net cash provided (used) by operating activities	<u>33,614</u>	<u>61,700</u>
 Cash flows from investing activities:		
Purchase of community foundation funds	-	(5,000)
Purchase of certificates of deposit	(2,395)	(2,813)
Purchases of fixed assets	(11,310)	(812)
Proceeds from sale of stock	50,058	50,000
Net cash provided (used) by investing activities	<u>36,353</u>	<u>41,375</u>
 Net increase (decrease) in cash	69,967	103,075
 Cash and cash equivalents at beginning of year	<u>619,407</u>	<u>516,332</u>
 Cash and cash equivalents at end of year	<u>\$ 689,374</u>	<u>\$ 619,407</u>
 Supplemental disclosures:		
Donated stocks	<u>\$ 50,413</u>	<u>\$ 51,078</u>

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

CASA OF OKLAHOMA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013 and 2012

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. 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 a significant amount of revenues from the Oklahoma CASA Association, Inc., Victim of Crime Act (VOCA), and 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, 2013 and 2012.

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, 2013 and 2012

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. 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 2013 and 2012, CASA volunteers recorded approximately 16,704 and 16,251 hours of service in each year valued at \$369,827 and \$354,109, respectively, based on volunteer hourly rates approved by the granting source.

CASA OF OKLAHOMA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013 and 2012

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, 2013 and 2012, CASA had approximately \$231,110 and \$100,655, respectively, in financial institutions that exceeded federally insured limits. The balances are split between three financial institutions and the maximum exposure of a single institution is \$101,872.

Reclassification

Certain 2012 items have been reclassified in order to conform to the 2013 financial statement presentation.

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, 2013 and 2012, \$13,969 and \$10,997 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:

	2013	2012
Operations - restricted for 2013-2014	\$5,960	\$ -
Grants	<u>-</u>	<u>9,693</u>
	<u>\$5,960</u>	<u>\$9,693</u>

Note 4. Employee Retirement Plan

CASA adopted to be effective January 1, 2013, 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, 2013 was \$10,113, and \$13,907 was contributed on behalf of CASA's employees for the retirement plan in effect for the prior year.

CASA OF OKLAHOMA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013 and 2012

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, 2013 and 2012, the market value of the fund was \$19,911 and \$18,807 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:

	2013	2012
Beginning of year	\$18,807	\$13,082
Reciprocal transfers	-	5,000
Net investment income	1,796	725
Distribution	<u>(692)</u>	<u>-</u>
End of year	<u>\$19,911</u>	<u>\$18,807</u>

	2013		2012	
	Original Gift	Market Value	Original Gift	Market Value
Third party contributions	<u>\$16,900</u>	<u>\$24,689</u>	<u>\$16,900</u>	<u>\$23,310</u>

Note 6. Stock Contributed

During the year, CASA received stock donations of 203 shares of 3M, 77 shares of Chevron and 761.75 shares of Value Line Special Premier Growth Fund valued at \$50,413. The stock was sold during the year at a loss of \$354.

Note 7. Subsequent Events

Management has evaluated subsequent events, if any, through the report date of September 27, 2013, the date the report was available to be issued, and has determined that no events occurred which require disclosure in the financial statements.