

CASA OF OKLAHOMA COUNTY, INC.

FINANCIAL REPORT

JUNE 30, 2015 and 2014

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 - 12

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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, 2015 and 2014, 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, 2015 and 2014, 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 30, 2015

CASA OF OKLAHOMA COUNTY, INC.

STATEMENTS OF FINANCIAL POSITION

June 30, 2015 and 2014

ASSETS	2015	2014
CURRENT ASSETS		
Cash and cash equivalents	\$ 797,070	\$ 684,438
Certificates of deposit	285,232	286,877
Accounts receivable	76,430	91,053
Prepaid expense	8,807	-
Total current assets	<u>1,167,539</u>	<u>1,062,368</u>
PROPERTY AND EQUIPMENT		
Furniture and equipment	49,797	49,797
Leasehold improvements	14,503	14,503
	<u>64,300</u>	<u>64,300</u>
Less accumulated depreciation	53,146	47,649
	<u>11,154</u>	<u>16,651</u>
OTHER ASSETS		
Funds held by community foundations	173,093	176,529
	<u>173,093</u>	<u>176,529</u>
	<u>\$ 1,351,786</u>	<u>\$ 1,255,548</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 6,899	\$ 7,474
Accrued vacation	36,643	25,309
Total current liabilities	<u>43,542</u>	<u>32,783</u>
NET ASSETS		
Unrestricted-undesignated	239,351	166,194
Unrestricted-board designated expansion	200,000	200,000
Unrestricted-board designated operating reserve	650,000	650,000
Unrestricted-board designated endowment	173,093	176,529
	<u>1,262,444</u>	<u>1,192,723</u>
Temporarily restricted	45,800	30,042
	<u>1,308,244</u>	<u>1,222,765</u>
	<u>\$ 1,351,786</u>	<u>\$ 1,255,548</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, 2015 and 2014

	2015		2014		Total
	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted	
Revenue and support					
Contributions	\$ 558,117	\$ 16,000	\$ 574,117	\$ 45,000	\$ 525,278
Grants and contracts	389,175	-	390,569	-	390,569
Special events	206,662	-	316,337	-	316,337
Investment income	7,982	-	11,761	-	11,761
Loss on sale of securities	(349)	-	(349)	-	(102)
In-kind	47,656	-	128,813	-	128,813
Net assets released from restriction	242	(242)	20,918	(20,918)	-
Total revenue and support	1,209,485	15,758	1,225,243	24,082	1,372,656
Expenses					
Program services	843,537	-	843,537	-	845,821
Management and general	113,261	-	113,261	-	120,179
Fundraising	182,966	-	182,966	-	202,447
Total expenses	1,139,764	-	1,139,764	-	1,168,447
Change in net assets	69,721	15,758	85,479	24,082	204,209
Net assets, beginning of year	1,192,723	30,042	1,222,765	5,960	1,018,556
Net assets, end of year	\$ 1,262,444	\$ 45,800	\$ 1,308,244	\$ 30,042	\$ 1,222,765

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, 2015 and 2014

	2015			Total
	Program Services	Management and General	Fundraising	
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 expense	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 FUNCTIONAL EXPENSES, continued
 Years Ended June 30, 2015 and 2014

	2014			
	Program Services	Management and General	Fundraising	Total
Salaries	\$ 570,582	\$ 50,548	\$ 71,534	\$ 692,664
Employee benefits	58,336	12,291	1,182	71,809
Payroll taxes	41,918	3,513	5,473	50,904
Advertising and marketing	29,200	138	350	29,688
Awards and events	6,189	511	65	6,765
Conference and meetings	8,016	833	217	9,066
Depreciation expense	5,394	2,129	1,253	8,776
Direct care	2,110	-	-	2,110
Dues and subscriptions	10,205	650	180	11,035
Occupancy	23,403	4,152	1,380	28,935
Office expenses	19,027	2,491	8,201	29,719
Professional fees	11,766	35,397	9,520	56,683
Small equipment	59,675	7,526	1,069	68,270
Special events	-	-	102,023	102,023
	<u>\$ 845,821</u>	<u>\$ 120,179</u>	<u>\$ 202,447</u>	<u>\$ 1,168,447</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, 2015 and 2014

Cash flows from operating activities:	2015	2014
Change in net assets	\$ 85,479	\$ 204,209
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	5,498	8,776
Unrealized (gain) loss on funds held by community foundations	3,436	(6,617)
(Increase) decrease in accounts receivable	14,623	(62,361)
(Increase) decrease in prepaid expense	(8,807)	-
Increase (decrease) in accounts payable and accrued expenses	10,759	10,470
Net cash provided (used) by operating activities	<u>110,988</u>	<u>154,477</u>
Cash flows from investing activities:		
Funds invested with community foundations	-	(150,000)
Proceeds (purchases) from certificates of deposit	1,644	(2,446)
Purchases of fixed assets	-	(6,967)
Net cash provided (used) by investing activities	<u>1,644</u>	<u>(159,413)</u>
Net increase (decrease) in cash	112,632	(4,936)
Cash and cash equivalents at beginning of year	<u>684,438</u>	<u>689,374</u>
Cash and cash equivalents at end of year	<u>\$ 797,070</u>	<u>\$ 684,438</u>

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

CASA OF OKLAHOMA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and 2014

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, 2015 and 2014.

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, 2015 and 2014

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 2015 and 2014, CASA volunteers recorded approximately 16,601 and 17,139 hours of service in each year valued at \$356,091 and \$386,484, respectively, based on volunteer hourly rates approved by the granting source.

CASA OF OKLAHOMA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and 2014

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, 2015 and 2014, CASA had approximately \$242,174 and \$251,209, respectively, 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 \$229,685.

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. Employees can accrue up to a maximum of 320 hours. 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 160 hours. Negative PTO balances may be deducted from terminating employees final pay check.

At June 30, 2015 and 2014, \$36,643 and \$25,309 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:

	2015	2014
Operations - restricted for 2015-2016	\$ 15,000	\$15,000
Operations - restricted for 2016-2017	15,000	15,000
Operations-restricted for marketing	15,000	-
Operations-restricted for gas	<u>800</u>	<u>42</u>
	<u>\$ 45,800</u>	<u>\$30,042</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, 2015 and 2014 was \$ 19,008 and \$16,128, respectively.

CASA OF OKLAHOMA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

Note 5. Funds Held By Community Foundations

CASA invested \$150,000 during the fiscal year ended June 30, 2014 with the Communities Foundation of Oklahoma (CFO). Prior to fiscal year 2013, CASA had invested \$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 a set percentage of the fund's average fair market value over the previous set number of quarters. For CFO, the percentage has historically been 5% of the average fair market value over the previous 8 quarters or life of the fund. For OCCF, the percentage has also been 5% but the average fair market value is calculated over the previous 12 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 statement 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, 2013	\$ -	\$19,911	\$ 19,911
Reciprocal Transfer	150,000	-	150,000
Net investment income	4,797	2,624	7,421
Distribution	<u>-</u>	<u>(803)</u>	<u>(803)</u>
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	<u>\$151,592</u>	<u>\$21,501</u>	<u>\$173,093</u>

CASA OF OKLAHOMA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

Note 5. Funds Held By Community Foundations, continued

Third Party Contributions:

	CFO	OCCF	Total
Original Gift as of June 30, 2014	<u>\$15,000</u>	<u>\$16,900</u>	<u>\$31,900</u>
Market value at June 30, 2014	<u>\$15,556</u>	<u>\$27,062</u>	<u>\$42,618</u>
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>

Note 6. Stock Contributed

CASA received stock donations from several donors valued at \$70,805 and \$50,151 for the years ended June 30, 2015 and 2014, respectively. These shares were directed for immediate sale in accordance with the Organization's financial policies.

Note 7. Subsequent Events

Management has evaluated subsequent events, if any, through the report date of November 30, 2015, the date the report was available to be issued, and has determined that no events occurred which require disclosure in the financial statements.