

OCEAN COUNTY COURT  
APPOINTED SPECIAL ADVOCATES, INC.  
FINANCIAL STATEMENTS  
JUNE 30, 2010 AND 2009



Gillen & Johnson, P.A. *Certified Public Accountants*

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## REPORT OF INDEPENDENT ACCOUNTANTS

January 15, 2011

Board of Trustees  
Ocean County Court Appointed Special Advocates, Inc.

We have audited the accompanying statements of financial position of Ocean County Court Appointed Special Advocates, Inc. (hereafter referred to as "Ocean County CASA, Inc.") as of June 30, 2010 and 2009 and the related statements of activities and cash flows and functional expenses for the years then ended. These financial statements are the responsibility of Ocean County CASA, Inc.'s 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 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 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 Ocean County CASA, Inc. as of June 30, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink, appearing to read 'Gillen &amp; Johnson, P.A.', is written over the printed name.

GILLEN & JOHNSON, P.A.

CASA OF OCEAN COUNTY, INC.  
 STATEMENTS OF FINANCIAL POSITION  
 JUNE 30, 2010 AND 2009

ASSETS

	2010	2009
Cash	\$ 6,768	4,039
Grants receivable	11,104	-
Security deposit	<u>1,000</u>	<u>2,025</u>
Total assets	\$ <u>18,872</u>	<u>6,064</u>

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable and accrued expenses	\$ 5,967	7,007
Loan payable to CASA of New Jersey, Inc. (Note 3)	<u>10,000</u>	<u>10,000</u>
Total liabilities	15,967	17,007
Net assets:		
Unrestricted	<u>2,905</u>	<u>(10,943)</u>
Total liabilities and net assets	\$ <u>18,872</u>	<u>6,064</u>

See accompanying accountants' audit report and notes to financial statements.

CASA OF OCEAN COUNTY, INC.  
STATEMENTS OF ACTIVITIES  
YEARS ENDED JUNE 30, 2010 AND 2009

	2010	2009
Changes in temporarily restricted net assets:		
Revenue and gains:		
Government grants:		
New Jersey Legislative grant	\$ 24,710	43,846
Other government grants	60,500	41,500
Other revenue and gains:		
Foundation grant - IOLTA	<u>15,000</u>	<u>30,000</u>
Total temporarily restricted revenue and gains	100,210	115,346
Restrictions satisfied by payments	<u>(100,210)</u>	<u>(115,346)</u>
Increase in temporarily restricted net assets	<u>-</u>	<u>-</u>
Changes in unrestricted net assets:		
Revenue and gains:		
Corporate donations	3,000	-
Other donations	5,747	2,873
Donated services	24,494	22,878
Special events revenue	13,016	12,271
Special events expenses	(7,253)	(4,980)
Interest income	<u>19</u>	<u>9</u>
Total unrestricted revenue and gains	39,023	33,051
Net assets released from restrictions:		
Restrictions satisfied by payments	<u>100,210</u>	<u>115,346</u>
Total unrestricted revenue and gains	<u>139,233</u>	<u>148,397</u>
Expenses and losses:		
Program services	110,551	140,812
Management and general	10,960	16,909
Fundraising	<u>3,874</u>	<u>7,117</u>
Total expenses	<u>125,385</u>	<u>164,838</u>
Increase (decrease) in unrestricted net assets	<u>13,848</u>	<u>(16,441)</u>
Increase (decrease) in net assets	13,848	(16,441)
Net assets, beginning of year	<u>(10,943)</u>	<u>5,498</u>
Net assets, end of year	\$ <u><u>2,905</u></u>	<u><u>(10,943)</u></u>

See accompanying accountants' audit report and notes to financial statements.

CASA OF OCEAN COUNTY, INC.  
STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2010 AND 2009

	2010	2009
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 13,848	(16,441)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Change in assets and liabilities:		
(Increase) decrease in:		
Security deposit	1,025	-
Grants receivable	<u>(11,105)</u>	<u>-</u>
Increase (decrease) in:		
Accounts payable and accrued expenses	<u>(1,039)</u>	<u>7,007</u>
Net cash provided by (used in) operating activities	<u>2,729</u>	<u>(9,434)</u>
 Cash flows from financing activities:		
Proceeds of loan from CASA of New Jersey, Inc.	<u>-</u>	<u>10,000</u>
Net cash provided by investing activities	<u>-</u>	<u>10,000</u>
 Net increase in cash	2,729	566
Cash at beginning of year	<u>4,039</u>	<u>3,473</u>
Cash at end of year	\$ <u>6,768</u>	<u>4,039</u>

See accompanying accountants' audit report and notes to financial statements.

CASA OF OCEAN COUNTY, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2010  
WITH COMPARATIVE TOTALS FOR 2009

	Program services	Management and general	Fundraising	<u>TOTALS</u>	
\$				2010	2009
Salaries	48,738	4,635	2,318	55,691	87,879
Payroll taxes and fees	8,355	760	380	9,495	13,831
Employee benefits	3,128	284	142	3,554	5,189
Donated volunteer services	21,242	-	-	21,242	14,772
Donated services - other	3,252	-	-	3,252	8,106
Rent	9,715	883	442	11,040	17,463
Utilities	1,506	137	68	1,711	2,203
Insurance	3,216	292	146	3,654	1,658
Office supplies	1,183	108	54	1,345	2,303
Postage and delivery	210	52	-	262	436
Printing and reproduction	289	26	13	328	-
Professional fees	-	3,160	-	3,160	2,100
Communications	2,877	262	131	3,270	4,117
Internet and website	556	51	25	632	-
Training and conferences	397	-	-	397	313
Travel and meals	2,471	-	-	2,471	2,354
Miscellaneous expenses	3,416	310	155	3,881	2,114
	<u>\$ 110,551</u>	<u>10,960</u>	<u>3,874</u>	<u>125,385</u>	<u>164,838</u>

See accompanying accountants' audit report and notes to financial statements.

OCEAN COUNTY COURT APPOINTED SPECIAL ADVOCATES, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010 AND 2009

**NOTE 1 - DESCRIPTION OF ORGANIZATION**

Ocean County CASA, Inc. is an independent, non-profit organization of professionals and trained volunteers who have been appointed by the New Jersey Family Court to advocate for children removed from their homes due to abuse and/or neglect. The Organization works to ensure that needed services and assistance are made available to these children while helping to move them toward safe and permanent homes.

The Organization was incorporated on February 15, 2006, and began operations on July 1, 2006.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of accounting

The Organization's financial statements are presented in accordance with general accounting standards for nonprofit organizations issued by the Financial Accounting Standards Board. The standards require an organization to provide certain basic information on the organization as a whole. An organization is required to provide a statement of financial position, a statement of activities and a statement of cash flows which classify the organization's net assets based on the restrictions imposed on the net assets. Specifically, the net assets are to be classified as permanently restricted, temporarily restricted or unrestricted based on the time and/or stipulations of the restrictions. As a voluntary health and welfare organization, a statement of functional expenses is also required.

The Organization's financial reporting and activities are governed by certain regulatory and donor restrictions. To ensure observance of these limitations and restrictions on the use of financial resources, the Organization maintains its accounts on an accrual basis using net asset accounting as prescribed by the standards. Financial resources are classified for accounting and reporting purposes in the following net asset classifications according to their nature and purpose:

- Unrestricted: This classification of net assets is used to account for financial resources available for the general operations of the Organization.
- Temporarily restricted: This classification of net assets is used to account for financial resources limited in use by a donor-imposed restriction or the Board of Directors of the Organization. Further, these resources are temporary in nature due to the fact the restriction can expire or be fulfilled.
- Permanently restricted: This classification of net assets is used to account for financial resources limited in use by a donor-imposed restriction which can neither expire nor be fulfilled.

The Organization had no temporarily or permanently restricted net assets at June 30, 2010 and 2009.

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Use of estimates

The process of preparing financial statements in accordance with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Cash and cash equivalents

Cash and cash equivalents includes all highly-liquid investments with a maturity of three months or less at the date of purchase. The Organization minimizes its credit risk by placing its cash and cash equivalents with a major bank. The Organization believes that no concentration of credit risk exists with respect to cash and cash equivalents.

Contributions

Under the general accounting standards issued by the Financial Accounting Standards Board for contributions received and contributions made, the Organization recognizes contributions received as unrestricted, temporarily restricted, or permanently restricted support depending on the nature of any donor restrictions. Unconditional pledges (or promises to give) of monetary resources that are expected to be collected within one year are recorded at their full amount less a reserve for uncollectible pledges. Unconditional pledges that are expected to be collected in future years are recorded at the present value of their future cash flows less a reserve for uncollectible pledges. Conditional pledges are not included as support until the conditions are substantially met. Pledges of future services to be provided to the Organization are recorded when the contributed services are received.

Contributed supplies and services

Under the general accounting standards issued by the Financial Accounting Standards Board, the Organization recognizes contributions of supplies and of services which create or enhance nonfinancial assets or require specialized skills that would typically need to be purchased if not provided by donation. Such services are valued at the rate necessary to replace these services. Services that do not meet the above criteria are not recognized.

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Tax status

The Organization is exempt from income taxes as a charitable not-for-profit organization under Internal Revenue Code Section 501(c)(3), and is not a private foundation.

The Organization evaluates all significant tax positions as required by the general standards of accounting for uncertainty in income taxes established by the Financial Accounting Standards Board. The Organization does not believe that it has taken any



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tax positions that would require the recording of any additional tax liability nor does it believe that there are any unrealized tax benefits that would increase or decrease within the next twelve months.

The Organization files returns in the federal and New Jersey jurisdictions. The returns filed within the last four years are generally open for examination by those jurisdictions.

**NOTE 3 - LOAN PAYABLE TO CASA OF NEW JERSEY, INC.**

The Organization obtained a loan from CASA of New Jersey, Inc., which was received in two increments of \$5,000 in July and August 2008. The balance outstanding is \$10,000 at June 30, 2010. The loan is unsecured, requires no payments of interest and has no specified repayment date.

**NOTE 4 - LEASE COMMITMENTS**

The Organization is obligated under a lease for the rental of its premises until July 31, 2010. Rent is \$1,000 per month.

Minimum annual rentals are as follows:

2011	\$	<u>1,000</u>
	\$	<u>1,000</u>

**NOTE 5 - DEPENDENCY FOR FUNDING**

The Organization receives most of its support in the form of grants and contributions from the New Jersey Legislature (which is passed through CASA of New Jersey, Inc.), other state and federal government grants, private foundations and other organizations. The Organization also receives technical support services and marketing materials from CASA of New Jersey, Inc. The continued operations of the Organization are contingent upon continued support from these sources.

**NOTE 6 - SUBSEQUENT EVENTS**

The Financial Accounting Standards Board has established general standards of accounting for and disclosure of events that occur after the date of the statement of financial position but before the date that the financial statements are issued or are available to be issued. These standards also require disclosure of the date through which an entity has evaluated subsequent events. Accordingly, the Organization has evaluated, for potential recognition and disclosure, events that have occurred through January 15, 2011, the date the financial statements were available to be issued.