

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Casa of Ocean County, Inc.:

We have audited the accompanying financial statements of Casa of Ocean County, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2014 and 2013, and the related statements of activities, 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 audit 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 Ocean County, Inc. as of June 30, 2014 and 2013, 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.

Toms River, New Jersey
February 14, 2015

Casa of Ocean County, Inc.
 Statements of Financial Position
 June 30, 2014 and 2013

ASSETS

	<u>2014</u>	<u>2013</u>
Current assets:		
Cash	\$ 15,165	8,542
Security deposit	600	1,300
Miscellaneous receivable	-	40
Prepaid expenses	<u>600</u>	<u>1,375</u>
Total current assets	<u>16,365</u>	<u>11,257</u>
Total assets	<u>\$ 16,365</u>	<u>11,257</u>

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable	\$ 939	108
Accrued payroll	<u>304</u>	<u>1,874</u>
Total current liabilities	<u>1,243</u>	<u>1,982</u>
Noncurrent liabilities:		
Loan payable to CASA of New Jersey, Inc.	<u>5,000</u>	<u>7,000</u>
Total noncurrent liabilities	<u>5,000</u>	<u>7,000</u>
Net assets:		
Unrestricted	<u>10,122</u>	<u>2,275</u>
Total liabilities and net assets	<u>\$ 16,365</u>	<u>11,257</u>

See accompanying notes to the financial statements.

Casa of Ocean County, Inc.

Statements of Activities and Changes in Net Assets

For the Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Changes in temporarily restricted net assets:		
Revenues and gains:		
Government grants:		
Federal: Victim Assistance Grant Program	\$ -	25,114
Federal: Passed through National CASA	41,808	10,500
State: Legislative allocation	-	38,390
Other revenue and grants:		
Corporate donations	<u>-</u>	<u>5,000</u>
Total temporarily restricted revenue and gains	41,808	79,004
Restrictions satisfied by payments	<u>(41,808)</u>	<u>(79,004)</u>
Change in temporarily restricted net assets	<u>-</u>	<u>-</u>
Changes in unrestricted net assets:		
Revenue and gains:		
Corporate donations	7,989	5,000
Foundation donations	38,300	20,350
Other donations	10,119	21,920
Donated services	331,190	260,656
Special event revenues	63,845	45,327
Special event expenses	(18,755)	(21,063)
Interest income	<u>2</u>	<u>5</u>
Total unrestricted revenue and gains	432,690	332,195
Net assets released from restrictions:		
Restrictions satisfied by payments	<u>41,808</u>	<u>79,004</u>
Total unrestricted revenue and gains	<u>474,498</u>	<u>411,199</u>
Expenses		
Program services	437,715	387,582
Fundraising	9,034	7,390
Management and general	<u>19,902</u>	<u>24,585</u>
Total expenses	<u>466,651</u>	<u>419,557</u>
Change in unrestricted net assets	<u>7,847</u>	<u>(8,358)</u>
Change in net assets	7,847	(8,358)
Net assets, beginning of the year	<u>2,275</u>	<u>10,633</u>
Net assets, end of the year	<u>\$ 10,122</u>	<u>2,275</u>

See accompanying notes to the financial statements.

Casa of Ocean County, Inc.
Statement of Functional Expenditures
For the Year Ended June 30, 2014

	<u>Program</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total</u>
Salaries	\$ 65,107	5,121	10,241	80,469
Payroll taxes and fees	9,161	720	1,441	11,322
Donated volunteer services	316,118	-	-	316,118
Donated services - other	14,369	-	703	15,072
Rent	7,580	1,083	2,166	10,829
Janitorial service	-	-	150	150
Insurance	3,767	68	136	3,971
Communications	4,426	632	1,265	6,323
Dues, fees and subscriptions	1,030	-	-	1,030
Office equipment	-	-	600	600
Office supplies	1,856	265	530	2,651
Postage and delivery	522	-	131	653
Printing and reproduction	3,504	501	1,001	5,006
Professional fees	5,751	644	643	7,038
Training and conferences	2,854	-	-	2,854
Travel and meals	1,444	-	361	1,805
Miscellaneous expenses	<u>226</u>	<u>-</u>	<u>534</u>	<u>760</u>
Total functional expenses	<u>\$ 437,715</u>	<u>9,034</u>	<u>19,902</u>	<u>466,651</u>

See accompanying notes to the financial statements.

Casa of Ocean County, Inc.
Statement of Functional Expenditures
For the Year Ended June 30, 2013

	<u>Program</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total</u>
Salaries	\$ 76,054	4,973	9,934	90,961
Payroll taxes and fees	14,222	847	1,862	16,931
Donated volunteer services	258,504	-	-	258,504
Donated services - other	2,152	-	-	2,152
Rent	13,104	780	1,716	15,600
Janitorial service	940	-	-	940
Insurance	4,178	-	-	4,178
Communications	7,906	471	1,035	9,412
Dues, fees and subscriptions	776	46	102	924
Office equipment	848	50	111	1,009
Office supplies	1,671	99	219	1,989
Postage and delivery	849	-	212	1,061
Printing and reproduction	1,088	65	143	1,296
Professional fees	-	-	9,121	9,121
Training and conferences	2,857	-	-	2,857
Travel and meals	1,444	-	-	1,444
Miscellaneous expenses	<u>989</u>	<u>59</u>	<u>130</u>	<u>1,178</u>
Total functional expenses	<u>\$ 387,582</u>	<u>7,390</u>	<u>24,585</u>	<u>419,557</u>

See accompanying notes to the financial statements.

Casa of Ocean County, Inc.

Statements of Cash Flows

For the Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 7,847	(8,358)
Adjustment to reconcile change in net assets to net cash provided by (used in) operating activities:		
Change in assets and liabilities:		
Grants receivable	-	11,731
Miscellaneous receivables	40	(40)
Prepaid expenses	775	(1,375)
Security deposit	700	-
Accounts payable	831	(848)
Accrued payroll	(1,570)	(345)
Deferred revenue	<u>-</u>	<u>(5,000)</u>
Net cash provided by (used in) operating activities	<u>8,623</u>	<u>(4,235)</u>
Cash flows from financing activities:		
Repayment of loan from CASA of New Jersey, Inc.	<u>(2,000)</u>	<u>(1,000)</u>
Net cash used in financing activities	<u>(2,000)</u>	<u>(1,000)</u>
Net increase (decrease) in cash	6,623	(5,235)
Cash, beginning of year	<u>8,542</u>	<u>13,777</u>
Cash, end of year	<u>\$ 15,165</u>	<u>8,542</u>

See accompanying notes to the financial statements.

Casa of Ocean County, Inc.

Notes to Financial Statements

For the Years Ended June 30, 2014 and 2013

1. **Summary of Significant Accounting Policies**

Casa of Ocean County, Inc., ("the Organization") 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.

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 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, 2014.

Casa of Ocean County, Inc.

Notes to Financial Statements (continued)

For the Years Ended June 30, 2014 and 2013

2. **Summary of Significant Accounting Policies (continued)**

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 local 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 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 made 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.

Casa of Ocean County, Inc.

Notes to Financial Statements (continued)

For the Years Ended June 30, 2014 and 2013

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 was \$5,000 and \$7,000 at June 30, 2014 and 2013, respectively. The loan is unsecured, requires no payments of interest and has no specified repayment date.

4. **Lease Commitment**

On September 3, 2013, the Organization became obligated under a lease for the rental of its current premises until September 30, 2016. The Organization has an option to renew the lease for an additional year. Monthly rent is \$600 until September 30, 2015 and \$650 thereafter. Minimum annual rentals are as follows:

2015	7,350
2016	<u>5,850</u>
	<u>\$ 13,200</u>

5. **Dependency for Funding**

General

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 Ocean County, 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 Ocean County, Inc. The continued operations of the Organization are contingent upon continued support from these sources.

October Storm

The historic storm (Hurricane Sandy or Superstorm Sandy) which hit Ocean County on October 29, 2012 disrupted the Organization's operations and affected the demand for its services. The Organization was forced to cancel a fundraiser and lay off staff as a direct result of the storm. This caused a significant decrease in the Organization's cash flow during the six weeks after the storm. In addition, four board members and three employees were displaced from their homes. Although the area is on the road to recovery, the Organization believes that fundraising in Ocean County will be very difficult for an extended period of time because of the devastation.

Casa of Ocean County, Inc.

Notes to Financial Statements (continued)

For the Years Ended June 30, 2014 and 2013

6. Unrecognized Tax Benefits

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 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.

7. 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 the entity has evaluated subsequent events. Accordingly, the Organization has evaluated, for potential recognition and disclosure, events that have occurred through February 14, 2015, the date the financial statements were available to be issued.