

COURT APPOINTED SPECIAL ADVOCATES
OF OCEAN COUNTY, INC.
FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010



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

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REPORT OF INDEPENDENT AUDITORS

February 1, 2012

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

We have audited the accompanying statements of financial position of Court Appointed Special Advocates of Ocean County, Inc. (hereafter referred to as "CASA of Ocean County, Inc.") as of June 30, 2011 and 2010 and the related statements of activities, cash flows and functional expenses for the years then ended. These financial statements are the responsibility of CASA of Ocean County, 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 CASA of Ocean County, Inc. as of June 30, 2011 and 2010, 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 cursive script, appearing to read "Gillen & Johnson, P.A.", is written over the printed name of the firm.
GILLEN & JOHNSON, P.A.

CASA OF OCEAN COUNTY, INC.
 STATEMENTS OF FINANCIAL POSITION
 JUNE 30, 2011 AND 2010

ASSETS

	2011	2010
Cash	\$ 428	6,768
Grants receivable	23,653	11,104
Security deposit	<u>1,000</u>	<u>1,000</u>
Total assets	\$ <u>25,081</u>	<u>18,872</u>

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable and accrued expenses	\$ 5,325	5,967
Loan payable to CASA of New Jersey, Inc. (Note 3)	<u>10,000</u>	<u>10,000</u>
Total liabilities	15,325	15,967
Net assets:		
Unrestricted	<u>9,756</u>	<u>2,905</u>
Total liabilities and net assets	\$ <u>25,081</u>	<u>18,872</u>

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

CASA OF OCEAN COUNTY, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
Changes in temporarily restricted net assets:		
Revenue and gains:		
Government grants:		
Federal: Victim Assistance Grant Program	\$ 51,454	20,500
Federal: Passed through National CASA	15,000	40,000
State: Legislative allocation	29,492	24,710
Other revenue and gains:		
Foundation grant - IOLTA	19,500	15,000
Corporate donations	5,000	-
Total temporarily restricted revenue and gains	<u>120,446</u>	<u>100,210</u>
Restrictions satisfied by payments	<u>(120,446)</u>	<u>(100,210)</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	7,587	5,747
Donated services	83,808	24,494
Special events revenue	23,271	13,016
Special events expenses	(10,890)	(7,253)
Interest income	16	19
Total unrestricted revenue and gains	<u>103,792</u>	<u>39,023</u>
Net assets released from restrictions:		
Restrictions satisfied by payments	<u>120,446</u>	<u>100,210</u>
Total unrestricted revenue and gains	<u>224,238</u>	<u>139,233</u>
Expenses and losses:		
Program services	191,396	110,551
Management and general	22,363	10,960
Fundraising	3,628	3,874
Total expenses	<u>217,387</u>	<u>125,385</u>
Increase in unrestricted net assets	<u>6,851</u>	<u>13,848</u>
Increase in net assets	6,851	13,848
Net assets, beginning of year	<u>2,905</u>	<u>(10,943)</u>
Net assets, end of year	\$ <u>9,756</u>	<u>2,905</u>

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

CASA OF OCEAN COUNTY, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
Cash flows from operating activities:		
Increase in net assets	\$ 6,851	13,848
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	(12,549)	(11,105)
Increase (decrease) in:		
Accounts payable and accrued expenses	<u>(642)</u>	<u>(1,039)</u>
Net cash provided by (used in) operating activities	<u>(6,340)</u>	<u>2,729</u>
Net increase (decrease) in cash	(6,340)	2,729
Cash at beginning of year	<u>6,768</u>	<u>4,039</u>
Cash at end of year	\$ <u>428</u>	<u>6,768</u>

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

CASA OF OCEAN COUNTY, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30, 2011 AND 2010

	<u>Year ended June 30, 2011</u>			
	<u>Program</u>	<u>Management</u>		<u>Total</u>
	<u>services</u>	<u>and general</u>	<u>Fundraising</u>	
Salaries	\$ 65,134	5,042	2,387	72,563
Payroll taxes and fees	11,453	891	382	12,726
Employee benefits	1,662	129	55	1,846
Donated volunteer services	79,821	-	-	79,821
Donated services - other	3,987	-	-	3,987
Rent	10,800	840	360	12,000
Utilities	2,129	166	71	2,366
Insurance	2,333	182	78	2,593
Office equipment	798	62	27	887
Office supplies	2,618	204	87	2,909
Postage and delivery	589	147	-	736
Printing and reproduction	228	18	8	254
Professional fees	-	14,276	-	14,276
Communications	3,495	272	116	3,883
Training and conferences	1,279	-	-	1,279
Travel and meals	3,353	-	-	3,353
Miscellaneous expenses	1,717	134	57	1,908
	<u>\$ 191,396</u>	<u>22,363</u>	<u>3,628</u>	<u>217,387</u>

	<u>Year ended June 30, 2010</u>			
	<u>Program</u>	<u>Management</u>		<u>Total</u>
	<u>services</u>	<u>and general</u>	<u>Fundraising</u>	
Salaries	\$ 48,738	4,635	2,318	55,691
Payroll taxes and fees	8,355	760	380	9,495
Employee benefits	3,128	284	142	3,554
Donated volunteer services	21,242	-	-	21,242
Donated services - other	3,252	-	-	3,252
Rent	9,715	883	442	11,040
Utilities	1,506	137	68	1,711
Insurance	3,216	292	146	3,654
Office supplies	1,183	108	54	1,345
Postage and delivery	210	52	-	262
Printing and reproduction	289	26	13	328
Professional fees	-	3,160	-	3,160
Communications	2,877	262	131	3,270
Internet and website	556	51	25	632
Training and conferences	397	-	-	397
Travel and meals	2,471	-	-	2,471
Miscellaneous expenses	3,416	310	155	3,881
	<u>\$ 110,551</u>	<u>10,960</u>	<u>3,874</u>	<u>125,385</u>

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

COURT APPOINTED SPECIAL ADVOCATES OF OCEAN COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

NOTE 1 - DESCRIPTION OF ORGANIZATION

CASA of Ocean County, 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, 2011 and 2010.

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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 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 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, 2011. The loan is unsecured, requires no payments of interest and has no specified repayment date.

NOTE 4 - LEASE COMMITMENTS

As of June 30, 2011, the Organization was obligated under a lease for the rental of its premises until July 31, 2011. Rent for the remaining month of July 2011 was \$1,000. On July 25, 2011, the Organization entered into a new lease for the rental of different premises until August 31, 2013. Minimum annual rentals are as follows:

2012	\$ 14,300
2013	15,600
2014	<u>2,600</u>
	\$ <u>32,500</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 February 1, 2012, the date the financial statements were available to be issued.

On July 25, 2011, the Organization entered into a new lease for the rental of its new premises, as described in Note 4.