

CASA FOR DOUGLAS COUNTY

FINANCIAL STATEMENTS

JUNE 30, 2017



FUHRMAN, SMOLSKY & FUREY, P.C.  
Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
CASA for Douglas County  
Omaha, Nebraska

We have audited the accompanying financial statements of CASA for Douglas County (a non-profit organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses, and cash flows for the year 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 audit. We conducted our audit 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 from 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 for Douglas County as of June 30, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Report on Summarized Comparative Information**

We have previously audited CASA for Douglas County's June 30, 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 21, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in cursive script that reads "Fuhrman, Smolsky & Furey PC".

FUHRMAN, SMOLSKY & FUREY, P.C.  
Omaha, Nebraska

November 14, 2017

CASA FOR DOUGLAS COUNTY  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2017

| <u>ASSETS</u>                         |                     | <u>2016<br/>Comparative<br/>Totals</u> |
|---------------------------------------|---------------------|--|
| Cash and cash equivalents             | \$ 309,076          | \$ 198,707                             |
| Investments                           | 54,979              | 53,118                                 |
| Miscellaneous receivable              | -                   | 4,593                                  |
| Grants receivable                     | 196,613             | 102,000                                |
| Prepaid expenses                      | 813                 | 17,205                                 |
| Property and equipment                | 833,352             | 874,662                                |
| Website and software                  | <u>3,058</u>        | <u>5,037</u>                           |
| TOTAL ASSETS                          | <u>\$ 1,397,891</u> | <u>\$ 1,255,322</u>                    |
| <u>LIABILITIES AND NET ASSETS</u>     |                     |  |
| Accounts payable and accrued expenses | \$ 42,594           | \$ 35,736                              |
| Net assets:                           |                     |  |
| Unrestricted                          | \$ 1,297,406        | \$ 1,141,584                           |
| Board designated                      | <u>52,002</u>       | <u>52,002</u>                          |
|                                       | 1,349,408           | 1,193,586                              |
| Temporarily restricted                | <u>5,889</u>        | <u>26,000</u>                          |
|                                       | <u>1,355,297</u>    | <u>1,219,586</u>                       |
| TOTAL LIABILITIES AND NET ASSETS      | <u>\$ 1,397,891</u> | <u>\$ 1,255,322</u>                    |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

CASA FOR DOUGLAS COUNTY

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2017

(with summarized financial information for the year ended June 30, 2016)

|  | <u>Unrestricted</u> | <u>Temporarily<br/>Restricted</u> | <u>Total</u>       | <u>2016<br/>Comparative<br/>Totals</u> |
|--|---------------------|-----------------------------------|--------------------|--|
| <u>SUPPORT AND REVENUE</u>               |                     |                                   |                    |  |
| Contributions                            | \$ 746,122          | \$ 240,705                        | \$ 986,827         | \$ 850,945                             |
| Contributed services                     | 3,329               | -                                 | 3,329              | 3,065                                  |
| Use of facilities income                 | 13,060              | -                                 | 13,060             | 7,070                                  |
| Fund raising activities                  | 21,997              | -                                 | 21,997             | 14,408                                 |
| Miscellaneous income                     | 1,793               | -                                 | 1,793              | 948                                    |
| Interest income                          | 53                  | -                                 | 53                 | 115                                    |
| Investment return                        | 2,693               | -                                 | 2,693              | 1,131                                  |
| Net assets released from<br>restrictions | <u>260,816</u>      | <u>( 260,816)</u>                 | <u>-</u>           | <u>-</u>                               |
| TOTAL SUPPORT<br>AND REVENUE             | \$ 1,049,863        | (\$ 20,111)                       | \$1,029,752        | \$ 877,682                             |
| <u>EXPENSES</u>                          |                     |                                   |                    |  |
| Program services                         | \$ 672,453          | \$ -                              | \$ 672,453         | \$ 593,043                             |
| Management and general                   | 214,940             | -                                 | 214,940            | 266,962                                |
| Fund raising                             | <u>6,648</u>        | <u>-</u>                          | <u>6,648</u>       | <u>17,406</u>                          |
| TOTAL EXPENSES                           | <u>894,041</u>      | <u>-</u>                          | <u>894,041</u>     | <u>877,411</u>                         |
| <u>CHANGE IN NET ASSETS</u>              | \$ 155,822          | (\$ 20,111)                       | \$ 135,711         | \$ 271                                 |
| <u>NET ASSETS</u> - Beginning of year    | <u>1,193,586</u>    | <u>26,000</u>                     | <u>1,219,586</u>   | <u>1,219,315</u>                       |
| <u>NET ASSETS</u> - End of year          | <u>\$ 1,349,408</u> | <u>\$ 5,889</u>                   | <u>\$1,355,297</u> | <u>\$ 1,219,586</u>                    |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

CASA FOR DOUGLAS COUNTY

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2017

(with summarized financial information for the year ended June 30, 2016)

|   | <u>Program<br/>Services</u> | <u>Management<br/>and General</u> | <u>Fund<br/>Raising</u> | <u>Total</u>      | <u>2016<br/>Comparative<br/>Totals</u> |
|---|-----------------------------|-----------------------------------|-------------------------|-------------------|--|
| Salaries and wages                        | \$ 425,251                  | \$ 141,750                        | \$ -                    | \$ 567,001        | \$ 547,714                             |
| Employee benefits                         | 42,664                      | 14,222                            | -                       | 56,886            | 35,565                                 |
| Payroll taxes                             | 36,742                      | 12,247                            | -                       | 48,989            | 46,193                                 |
| Depreciation and amortization             | 32,467                      | 10,822                            | -                       | 43,289            | 41,991                                 |
| Occupancy expense                         | 26,532                      | 7,925                             | -                       | 34,457            | 31,063                                 |
| Conferences, conventions,<br>and meetings | 19,683                      | 5,879                             | -                       | 25,562            | 7,136                                  |
| Insurance                                 | 19,388                      | 2,154                             | -                       | 21,542            | 15,759                                 |
| Contract services                         | 16,355                      | 3,590                             | -                       | 19,945            | 23,997                                 |
| Marketing and advertising                 | 18,938                      | -                                 | 191                     | 19,129            | 64,590                                 |
| Events                                    | 13,395                      | -                                 | -                       | 13,395            | 16,480                                 |
| Professional fees                         | -                           | 10,330                            | -                       | 10,330            | 7,585                                  |
| Travel                                    | 8,778                       | 780                               | 195                     | 9,753             | 7,686                                  |
| Fundraiser expense                        | -                           | -                                 | 5,827                   | 5,827             | 8,527                                  |
| Telephone                                 | 3,220                       | 962                               | -                       | 4,182             | 6,125                                  |
| Supplies                                  | 3,036                       | 907                               | -                       | 3,943             | -                                      |
| Volunteer appreciation                    | 3,138                       | -                                 | -                       | 3,138             | 3,225                                  |
| Printing                                  | 1,449                       | 193                               | 289                     | 1,931             | -                                      |
| Board expenses                            | -                           | 1,890                             | -                       | 1,890             | -                                      |
| Membership dues                           | 701                         | 701                               | -                       | 1,402             | -                                      |
| Office expense                            | 716                         | 239                               | -                       | 955               | 13,711                                 |
| Postage                                   | -                           | 145                               | 146                     | 291               | -                                      |
| Bank charges                              | -                           | 204                               | -                       | 204               | 64                                     |
|   | <u>\$ 672,453</u>           | <u>\$ 214,940</u>                 | <u>\$ 6,648</u>         | <u>\$ 894,041</u> | <u>\$ 877,411</u>                      |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

CASA FOR DOUGLAS COUNTY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2017

|  |                   | 2016<br>Comparative<br>Totals |
|--|-------------------|-------------------------------|
| <u>CASH FLOWS FROM OPERATING ACTIVITIES</u>                  |                   |                               |
| Contributions received                                       | \$ 896,807        | \$ 829,887                    |
| Interest received  | 53                | 115                           |
| Investment income received                                   | 1,297             | 1,112                         |
| Other revenue received                                       | 36,868            | 40,623                        |
| Cash paid to suppliers and employees                         | ( 824,656)        | ( 926,901)                    |
| NET CASH FROM OPERATING ACTIVITIES                           | <u>110,369</u>    | <u>( 55,164)</u>              |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES</u>                  |                   |                               |
| Purchase of property and equipment                           | \$ -              | (\$ 23,574)                   |
| Purchase of website and software                             | -                 | ( 5,938)                      |
| Proceeds from sale of investments                            | -                 | 5,478                         |
| Purchase of investments                                      | -                 | ( 6,125)                      |
| NET CASH FROM INVESTING ACTIVITIES                           | <u>-</u>          | <u>( 30,159)</u>              |
| NET INCREASE/(DECREASE) IN CASH                              | \$ 110,369        | (\$ 85,323)                   |
| <u>CASH AND CASH EQUIVALENTS</u> - Beginning of year         | <u>198,707</u>    | <u>284,030</u>                |
| <u>CASH AND CASH EQUIVALENTS</u> - End of year               | <u>\$ 309,076</u> | <u>\$ 198,707</u>             |
| <u>RECONCILIATION OF CHANGE IN NET ASSETS TO</u>             |                   |                               |
| <u>NET CASH FROM OPERATING ACTIVITIES</u>                    |                   |                               |
| Change in net assets   | \$ 135,711        | \$ 271                        |
| Adjustments:   |                   |                               |
| Depreciation and amortization                                | 43,289            | 41,991                        |
| Realized gain on investments                                 | -                 | ( 141)                        |
| Unrealized gain on investments                               | ( 1,861)          | ( 343)                        |
| Increase in receivables                                      | ( 90,020)         | ( 77,757)                     |
| (Increase)/decrease in prepaid expenses                      | 16,392            | ( 16,905)                     |
| Increase/(decrease) in accounts payable and accrued expenses | 6,858             | ( 2,280)                      |
| NET CASH FROM OPERATING ACTIVITIES                           | <u>\$ 110,369</u> | <u>(\$ 55,164)</u>            |

NON-CASH INVESTING AND FINANCING ACTIVITIES

During the year ended June 30, 2017, equipment with an original cost of \$921 and a current book value of \$0 was disposed or donated to others.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

## CASA FOR DOUGLAS COUNTY

### NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

#### 1. NATURE OF ORGANIZATION

CASA for Douglas County (the Organization) was started July 1, 1998 as a result of a Nebraska state court improvement project assessment of Nebraska courts. CASA stands for Court Appointed Special Advocate. The Organization was officially incorporated June 19, 2002 with its mission as follows:

CASA for Douglas County trains, empowers and inspires volunteer advocates to improve the lives of abused and neglected children.

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of CASA for Douglas County have been prepared on the accrual basis. The accrual basis of accounting recognizes income when earned and expenses when incurred. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

##### Basis of Presentation

Financial statement presentation is in accordance with FASB ASC 958. The Organization is, therefore, required to report information regarding its financial position and activities according to three classes of net assets:

Unrestricted net assets include those net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by contract or by board designation.

Temporarily restricted net assets are those net assets whose use by the Organization has been limited by donors to later periods of time or to specified purposes.

Permanently restricted net assets are those net assets whose use by the Organization have donor-imposed restrictions that stipulate resources be maintained permanently, but permit the use of part or all of the income derived from the donated assets.

##### Prior Year Summarized Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2016, from which the summarized information was derived.

##### Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.



CASA FOR DOUGLAS COUNTY

NOTES TO FINANCIAL STATEMENTS  
(continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Reclassification

Certain items in the 2016 summarized information have been reclassified to conform to the 2017 presentation.

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits and bank money market accounts.

Investments

In accordance with FASB ASC 820, investments are carried at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 6 for discussion of fair value measurements.

Investment return consists of interest, dividends, and realized and unrealized gains and losses. Investment return is included in the statement of activities as unrestricted unless its use is donor-restricted.

Property and Equipment

Property and equipment are stated at cost or, if donated, at estimated fair market value at date of donation. Depreciation is provided on the straight-line method over estimated useful lives of three to seven years for furniture and equipment, and fifteen to thirty-nine years for buildings and improvements.

Expenditures for major renewals and improvements, which extend the useful lives of property and equipment, are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. It is the Organization's policy to capitalize items over \$1,000.

Contributions

In accordance with FASB ASC 958, contributions received are being recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Grants Receivable

In accordance with FASB ASC 958, grants receivable consist of unconditional promises to give that are expected to be collected in future years. Grants receivable are reported as either temporarily or permanently restricted support unless explicit donor stipulations or circumstances surrounding the grant make clear the donor intended it to be used to support activities of the current period.

CASA FOR DOUGLAS COUNTY

NOTES TO FINANCIAL STATEMENTS  
(continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Contributed Services

Unpaid volunteers have made significant contributions of time to the Organization's program and fund-raising activities. For the year ended June 30, 2017 unpaid volunteers donated 10,468 hours which the Organization valued at \$232,913. However, the value of this contributed time is not reflected in these statements since it is not susceptible to objective measurement or valuation.

The Organization received contributed professional services for which they would have had to pay for otherwise. These services are reflected as contributed services income in the financial statements.

Compensated Absences

Employees of the Organization are entitled to paid vacations, sick days, and personal days off depending on job classification, length of service, and other factors. Only unpaid vacation days are vested and are reflected in the statement of financial position as an accrued expense of \$12,713 at June 30, 2017.

Board Designation

The Board of Directors has resolved to self-impose limits on unrestricted net assets. The Board has designated funds for building repairs and maintenance at June 30, 2017 of \$52,002.

Marketing and Advertising Costs

The Organization expenses marketing and advertising costs as incurred. Marketing and advertising expenses for the year ended June 30, 2017 were \$19,129.

Subsequent Events

Management has evaluated subsequent events through November 14, 2017, the date the financial statements were available to be issued.

3. CASH AND CASH EQUIVALENTS

The Organization maintains cash in demand deposit and money market accounts with federally insured banks. At times, the balances in these accounts may be in excess of federally insured (FDIC) limits. At June 30, 2017 the balance in excess of FDIC limits was \$54,911.

4. GRANTS RECEIVABLE

The Organization has five grants receivable at June 30, 2017 totaling \$196,613. Management believes all grants receivable will be collected within one year; therefore, no allowance for bad debts has been recorded.

## CASA FOR DOUGLAS COUNTY

### NOTES TO FINANCIAL STATEMENTS (continued)

#### 5. CONDITIONAL PROMISES TO GIVE

At June 30, 2017 the Organization has two conditional promises to give totaling \$250,000. If funds of \$50,000 are raised before September 30 during fiscal years 2018 and 2019, the Organization will receive unrestricted matching contributions of \$100,000. If funds of \$25,000, \$50,000 and \$75,000 are raised from new individual donors or increased giving from current individual donors during fiscal years 2018, 2019, and 2020, respectively, the Organization will receive matching contributions of \$150,000, payable over that three-year period. The Organization expects to meet the conditions. In accordance with accounting principles generally accepted in the United States of America, these conditional promises to give have not been recorded as receivables in the financial statements.

#### 6. FAIR VALUE MEASUREMENTS

The Organization reports their fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by generally accepted accounting principles, requires that the entity maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are as follows:

Level 1 - Quoted prices in active markets for identical assets or liabilities to which the Organization has access at the measurement date.

Level 2 - Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets in markets that are not active;
- observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves); and
- inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

Level 3 - Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

When available, the Organization measures fair value using level 1 inputs because they generally provide the most reliable evidence of fair value.

The primary use of fair value measures in the Organization's financial statements are:

- recurring measurement of short-term investments.

CASA FOR DOUGLAS COUNTY

NOTES TO FINANCIAL STATEMENTS  
(continued)

7. INVESTMENTS

Investments held at June 30, 2017 include:

|                                  | <u>Cost</u>      | <u>Fair Value</u> |
|----------------------------------|------------------|-------------------|
| Cash funds                       | \$ 1,346         | \$ 1,346          |
| Registered investment companies: |                  |                   |
| Bond funds                       | 38,559           | 38,178            |
| Index funds                      | 4,392            | 6,769             |
| Growth funds                     | 1,001            | 1,243             |
| Foreign funds                    | 4,122            | 4,241             |
| Emerging market funds            | <u>3,231</u>     | <u>3,202</u>      |
|                                  | <u>\$ 52,651</u> | <u>\$ 54,979</u>  |

Investment return for the year ended June 30, 2017 is comprised of the following:

|                         |                 |
|-------------------------|-----------------|
| Dividend income         | \$ 1,297        |
| Unrealized gain         | <u>1,861</u>    |
| Total investment return | 3,158           |
| Less: Investment fees   | <u>(465)</u>    |
| Net investment return   | <u>\$ 2,693</u> |

The Organization has adopted FASB ASC 820, Fair Value Measurements, which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements.

As discussed in Note 6 to these financial statements, the Organization is required to report their fair value measurements in one of three levels, which are based on the ability to observe in the marketplace the inputs to the Organization's valuation techniques. Level 1, the most observable level of inputs, is for investments measured at quoted prices in active markets for identical investments as of June 30, 2017. Level 2 is for investments measured using inputs such as quoted prices for similar assets, quoted prices for the identical asset in inactive markets, and for investments measured at net asset value that can be redeemed in the near term. Level 3 is for investments measured using inputs that are unobservable, and is used in situations for which there is little, if any, market activity for the investment.

CASA FOR DOUGLAS COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(continued)

7. INVESTMENTS – continued

The Organization uses the following ways to determine the fair value of its investments:

*Cash funds:* determined by the published value of similar securities.

*Bond funds:* determined by the closing price in the actively traded market.

*Index funds:* determined by the closing price in the actively traded market.

*Growth funds:* determined by the closing price in the actively traded market.

*Foreign funds:* determined by the closing price in the actively traded market.

*Emerging market funds:* determined by the closing price in the actively traded market.

The following table sets forth by level, within the fair value hierarchy, investments at fair value as of June 30, 2017:

|                                  | <u>Level 1</u>   | <u>Level 2</u>  | <u>Level 3</u> | <u>Total</u>     |
|----------------------------------|------------------|-----------------|----------------|------------------|
| Cash funds                       | \$ -             | \$ 1,346        | \$ -           | \$ 1,346         |
| Registered investment companies: |                  |                 |                |                  |
| Bond funds                       | 38,178           | -               | -              | 38,178           |
| Index funds                      | 6,769            | -               | -              | 6,769            |
| Growth funds                     | 1,243            | -               | -              | 1,243            |
| Foreign funds                    | 4,241            | -               | -              | 4,241            |
| Emerging market funds            | <u>3,202</u>     | <u>-</u>        | <u>-</u>       | <u>3,202</u>     |
| Total assets at fair value       | <u>\$ 53,633</u> | <u>\$ 1,346</u> | <u>\$ -</u>    | <u>\$ 54,979</u> |

There were no transfers between levels during the year ended June 30, 2017.

CASA FOR DOUGLAS COUNTY

NOTES TO FINANCIAL STATEMENTS  
(continued)

8. PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2017 consists of:

|                                |                    |
|--------------------------------|--------------------|
| Building                       | \$ 602,629         |
| Building renovations           | 358,709            |
| Furniture and equipment        | <u>59,570</u>      |
|                                | 1,020,908          |
| Less: Accumulated depreciation | ( <u>247,556</u> ) |
|                                | 773,352            |
| Land                           | <u>60,000</u>      |
|                                | <u>\$ 833,352</u>  |

Depreciation expense for the year ended June 30, 2017 was \$41,310.

9. WEBSITE AND SOFTWARE

Website and software at June 30, 2017 consists of:

|                                |                  |
|--------------------------------|------------------|
| Website                        | \$ 2,895         |
| Computer software              | <u>3,043</u>     |
|                                | 5,938            |
| Less: Accumulated amortization | ( <u>2,880</u> ) |
|                                | <u>\$ 3,058</u>  |

Amortization expense for the year ended June 30, 2017 was \$1,979.

10. RETIREMENT PLANS

Employees of the Organization are able to participate in a savings plan established pursuant to Section 403(b) of the Internal Revenue Code which includes a Roth Individual Retirement Account component. Participation in this plan is available to all employees of the Organization. The Organization matches up to 3% of employee contributions. Contributions to this plan by the Organization for the year ended June 30, 2017 were \$18,498.

Administrative costs for this plan were zero for the year ended June 30, 2017.

CASA FOR DOUGLAS COUNTY

NOTES TO FINANCIAL STATEMENTS  
(continued)

11. TEMPORARILY RESTRICTED NET ASSETS

Donor-imposed restrictions on net assets are considered temporary restrictions. Such net assets are available at June 30, 2017 for the following purpose:

|                       |                 |
|-----------------------|-----------------|
| National Adoption Day | \$ 492          |
| Holiday Party         | 1,542           |
| Kids Activity Fund    | <u>3,855</u>    |
|                       | <u>\$ 5,889</u> |

Net assets were released from donor restrictions during the year ended June 30, 2017 by incurring expenses which satisfied the restricted purposes as follows:

|  |                   |
|--|-------------------|
| National Adoption Day                          | \$ 7,268          |
| Recruitment/training/supervision of volunteers | 248,166           |
| Holiday Party                                  | 3,435             |
| Kids Activity Fund                             | <u>1,947</u>      |
|  | <u>\$ 260,816</u> |

12. FUNCTIONAL ALLOCATION OF EXPENSES

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

13. INCOME TAXES

The Organization is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, but is subject to a tax on income from any unrelated business.

The Organization has adopted the recognition requirements for uncertain income tax positions as required by generally accepted accounting principles, with no cumulative effect adjustment required. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. Management believes nothing has occurred to negate the Organization's exemption from income taxes and related tax filings. Management anticipates that income tax filing positions would be sustained upon examination and does not expect any adjustments that would result in a material adverse effect on the Organization's financial condition, activities or cash flows. Accordingly, the Organization has not recorded any reserves or related accruals for interest and penalties for uncertain income tax positions at June 30, 2017.

The Organization's policy is to classify income tax related interest and penalties in interest expense and other expenses, respectively, if incurred.

CASA FOR DOUGLAS COUNTY

NOTES TO FINANCIAL STATEMENTS  
(continued)

14. CONCENTRATION OF CREDIT RISK

Investments include money market funds and mutual funds which are not insured by the FDIC or otherwise guaranteed by the U.S. Government. Investment securities are exposed to various risks such as interest rate, credit and market risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the fair value of investments and the amounts reported in the statement of financial position.

Management does not believe that the Organization is exposed to any significant credit risk in connection with cash and cash equivalents or investments.

15. RELATED PARTY TRANSACTIONS

The Organization purchased advertising totaling \$15,225 and received \$1,100 of contributed advertising services from Clark Creative Group. Melanie Clark is the President of Clark Creative Group and a member of the Organization's Board of Directors.