

Curt H. Osiek
Bryan K. Rhodes
Joan T. Washburn
Lisa M. Wharton

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
CASA of Tarrant County, Inc.:

We have audited the accompanying financial statements of the CASA of Tarrant County, Inc., (a Texas Non-Profit Corporation), which comprise the statements of financial position as of December 31, 2012 and 2011 and the related statements of activity 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 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 assessment, 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 the CASA of Tarrant County, Inc., as of December 31, 2012 and 2011 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.

Rhodes Osiek & Company

Arlington, Texas

July 5, 2013

CASA OF TARRANT COUNTY, INC.

STATEMENTS OF FINANCIAL POSITION AS OF
DECEMBER 31, 2012 AND 2011 (NOTE 1)

ASSETS

	<u>DECEMBER 31, 2012</u>	<u>DECEMBER 31, 2011</u>
Cash and cash equivalents	\$ 671,181	\$ 540,295
Grants receivable	161,990	139,407
Prepaid expenses	8,683	9,628
Property and equipment, at cost, net of accumulated depreciation (Note 2)	74,962	22,229
Security deposit	8,114	6,114
Assets restricted for permanent endowment (Notes 3 and 11)	<u>88,213</u>	<u>75,556</u>
Total assets	\$ <u>1,013,143</u>	\$ <u>793,229</u>

LIABILITIES AND NET ASSETS

Liabilities:

Accounts payable and accrued expenses	\$ 0	\$ 3,951
Unearned revenue	<u>30,000</u>	<u>25,000</u>
Total liabilities	30,000	28,951

Net Assets:

Unrestricted operating net assets	835,685	645,492
Temporarily restricted net assets (Note 10)	46,405	29,634
Permanently restricted net assets (Note 11)	<u>101,053</u>	<u>89,152</u>
Net assets	<u>983,143</u>	<u>764,278</u>
Total liabilities and net assets	\$ <u>1,013,143</u>	\$ <u>793,229</u>

The accompanying notes are an integral part
of these financial statements

CASA OF TARRANT COUNTY, INC.

STATEMENTS OF ACTIVITY AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL</u>
SUPPORT AND REVENUES:				
Contributions	\$ 457,247	\$ 34,860	\$ 11,475	\$ 503,582
Grants from Texas CASA	449,589	0	0	449,589
Grants from National CASA	29,200	0	0	29,200
Grants from VOCA	128,428	0	0	128,428
Grants from other agencies	90,093	0	0	90,093
Special events	305,143	0	0	305,143
In-kind contributions	54,184	0	0	54,184
Interest income	676	0	426	1,102
Miscellaneous income	6,988	0	0	6,988
Net assets released from Restrictions (Note 9)	<u>18,089</u>	<u>(18,089)</u>	<u>0</u>	<u>0</u>
Total Support and Revenues	<u>1,539,637</u>	<u>16,771</u>	<u>11,901</u>	<u>1,568,309</u>
EXPENSES:				
Program Services:				
CASA	<u>1,181,571</u>	<u>0</u>	<u>0</u>	<u>1,181,571</u>
Total program services	1,181,571	0	0	1,181,571
Support Services:				
Administration	66,924	0	0	66,924
Fundraising	<u>100,949</u>	<u>0</u>	<u>0</u>	<u>100,949</u>
Total support services	<u>167,873</u>	<u>0</u>	<u>0</u>	<u>167,873</u>
Total Expenses	<u>1,349,444</u>	<u>0</u>	<u>0</u>	<u>1,349,444</u>
CHANGE IN NET ASSETS	190,193	16,771	11,901	218,865
NET ASSETS, Beginning of Year	<u>645,492</u>	<u>29,634</u>	<u>89,152</u>	<u>764,278</u>
NET ASSETS, End of Year	\$ <u>835,685</u>	\$ <u>46,405</u>	\$ <u>101,053</u>	\$ <u>983,143</u>

The accompanying notes are an integral part
of these financial statements.

CASA OF TARRANT COUNTY, INC.

STATEMENTS OF ACTIVITY AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL</u>
SUPPORT AND REVENUES:				
Contributions	\$ 427,257	\$ 29,244	\$ 6,450	\$ 462,951
Grants from Texas CASA	282,201	0	0	282,201
Grants from National CASA	46,697	0	0	46,697
Grants from VOCA	120,852	0	0	120,852
Grants from other agencies	51,123	0	0	51,123
Special events	214,430	0	0	214,430
In-kind contributions	38,279	0	0	38,279
Interest income	0	0	759	759
Miscellaneous income	15,229	0	0	15,229
Net assets released from Restrictions (Note 9)	<u>7,360</u>	<u>(7,360)</u>	<u>0</u>	<u>0</u>
Total Support and Revenues	<u>1,203,428</u>	<u>21,884</u>	<u>7,209</u>	<u>1,232,521</u>
 EXPENSES:				
Program Services:				
CASA	<u>965,712</u>	<u>0</u>	<u>0</u>	<u>965,712</u>
Total program services	965,712	0	0	965,712
Support Services:				
Administration	54,502	0	0	54,502
Fundraising	<u>92,256</u>	<u>0</u>	<u>0</u>	<u>92,256</u>
Total support services	<u>146,758</u>	<u>0</u>	<u>0</u>	<u>146,758</u>
Total Expenses	<u>1,112,470</u>	<u>0</u>	<u>0</u>	<u>1,112,470</u>
CHANGE IN NET ASSETS	90,958	21,884	7,209	120,051
NET ASSETS, Beginning of Year	<u>554,534</u>	<u>7,750</u>	<u>81,943</u>	<u>644,227</u>
NET ASSETS, End of Year	\$ <u>645,492</u>	\$ <u>29,634</u>	\$ <u>89,152</u>	\$ <u>764,278</u>

The accompanying notes are an integral part
of these financial statements.

CASA OF TARRANT COUNTY, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2012

	Child Advocates <u>Program</u>	Admini- stration	Fund Raising	Total <u>2012</u>
Salaries	\$ 663,686	\$ 34,928	\$ 65,850	\$ 764,464
Employee benefits	104,673	6,147	7,074	117,894
Payroll taxes	<u>64,742</u>	<u>3,407</u>	<u>6,424</u>	<u>74,573</u>
Total salaries and Related expenses	833,101	44,482	79,348	956,931
Professional fees	0	5,000	0	5,000
Training and travel	16,554	0	0	16,554
Other operating expense	39,246	4,701	6,078	50,025
Marketing	43,968	0	0	43,968
Fundraising	0	0	5,881	5,881
Special Events	108,246	0	0	108,246
Volunteer recognition	5,791	0	0	5,791
Office expense	10,348	852	974	12,174
Telephone	4,243	350	399	4,992
Postage	6,223	512	586	7,321
Printing	9,837	0	0	9,837
Occupancy	81,630	6,722	7,683	96,035
In-kind program costs	6,099	0	0	6,099
Insurance	<u>3,392</u>	<u>1,475</u>	<u>0</u>	<u>4,867</u>
Total expenses before Depreciation	1,168,678	64,094	100,949	1,333,721
Depreciation	<u>12,893</u>	<u>2,830</u>	<u>0</u>	<u>15,723</u>
Total expenses	\$ <u>1,181,571</u>	\$ <u>66,924</u>	\$ <u>100,949</u>	\$ <u>1,349,444</u>

The accompanying notes are an integral part
of these financial statements

CASA OF TARRANT COUNTY, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2011

	Child Advocates <u>Program</u>	Admini- stration	Fund Raising	Total <u>2012</u>
Salaries	\$ 536,701	\$ 27,111	\$ 59,957	\$ 623,769
Employee benefits	91,101	5,160	6,146	102,407
Payroll taxes	<u>50,614</u>	<u>2,556</u>	<u>5,654</u>	<u>58,824</u>
Total salaries and Related expenses	678,416	34,827	71,757	785,000
Professional fees	0	5,000	0	5,000
Training and travel	11,888	0	0	11,888
Other operating expense	35,439	3,863	4,816	44,118
Marketing	17,423	0	0	17,423
Fundraising	0	0	6,502	6,502
Special Events	78,492	0	0	78,492
Volunteer recognition	3,172	0	0	3,172
Office expense	5,675	468	534	6,677
Telephone	3,817	315	359	4,491
Postage	3,570	294	336	4,200
Printing	15,064	0	0	15,064
Occupancy	84,487	6,958	7,952	99,397
In-kind program costs	19,568	0	0	19,568
Insurance	<u>3,451</u>	<u>1,625</u>	<u>0</u>	<u>5,076</u>
Total expenses before Depreciation	960,462	53,350	92,256	1,106,068
Depreciation	<u>5,250</u>	<u>1,152</u>	<u>0</u>	<u>6,402</u>
Total expenses	\$ <u>965,712</u>	\$ <u>54,502</u>	\$ <u>92,256</u>	\$ <u>1,112,470</u>

The accompanying notes are an integral part
of these financial statements

CASA OF TARRANT COUNTY, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

CASH FLOWS FROM OPERATING ACTIVITIES:	DECEMBER 31, <u>2012</u>	DECEMBER 31, <u>2011</u>
Change in net assets	\$ 218,865	\$ 120,051
(Deduct) items to convert excess of support revenue over expenses to cash basis		
Depreciation	15,723	6,402
(Increase) decrease in receivables	(22,583)	(11,147)
(Increase) decrease in prepaid expenses	(1,055)	(7,628)
(Increase) in security deposits	0	0
Increase(decrease) in accounts payable	(3,951)	(3,939)
Increase(decrease) in unearned revenue	<u>5,000</u>	<u>0</u>
Net cash generated (used) by operating Activities	211,999	103,739
 CASH FLOWS FROM INVESTING ACTIVITIES:		
(Purchase) of property and equipment	(68,456)	(3,630)
(Purchase) of restricted investment	<u>(12,657)</u>	<u>(357)</u>
Net cash (used) by investing Activities	<u>(81,113)</u>	<u>(3,987)</u>
Net increase (decrease) in cash and cash equivalents	130,886	99,752
CASH AND CASH EQUIVALENTS, beginning of year	<u>540,295</u>	<u>440,543</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 671,181</u>	<u>\$ 540,295</u>
 Interest expense	 \$ 0	 \$ 0

The accompanying notes are an integral part
of these financial statements.

CASA OF TARRANT COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

~~History and Organization -~~

The CASA of Tarrant County, Inc. ("CASA") is a non-profit organization formed in 1983 and is affiliated with the national organization of Court Appointed Special Advocates. CASA provides trained volunteers who monitor and represent abused and neglected children in the legal system. CASA currently has eight full time employees and over 200 volunteers serving the needs of children in the foster care system of Tarrant County, Texas.

Basis of accounting -

CASA's financial statements are presented on the accrual basis of accounting. CASA is required to report 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.

Cash and cash equivalents -

For purposes of the statement of cash flows, CASA considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Property and Equipment -

Property and equipment acquired by CASA is depreciated on a straight-line method based on the following useful lives:

<u>Assets</u>	<u>Estimated useful lives</u>
Office furniture and fixtures	5-10 years
Equipment	5-10 years

The cost of additions and improvements that extend the useful life of a particular asset are capitalized. Repair and maintenance costs are charged to expense as incurred. Upon the sale of assets, the cost and related accumulated depreciation are removed from the accounts, and any gain or loss is included in income. Donated property and equipment is recorded at its fair market value at the date of gift.

U. S. Federal Income Taxes -

The CASA of Tarrant County, Inc. is a not-for-profit organization exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) and, accordingly, no provision for income taxes is included in the financial statements. In addition CASA has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the code.

CASA OF TARRANT COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011
(Continued)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Promises to give -

Unconditional promises to give are recognized when the donor makes a promise to give to CASA that is, in substance, unconditional. CASA uses the direct write-off method to determine uncollectible unconditional promises receivable. The write off is based on management's analysis of specific promises made. All contributions receivable are deemed to be collectible by management within one year.

Investments -

CASA records investments with readily determinable fair values to be stated at fair value with realized and unrealized gains and losses included in the statement of activities. Investments are stated at fair market values.

Use of Estimate -

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Donated Services -

CASA records the estimated fair market value of donated goods at the time of receipt when there is an objective basis available to measure their value. Donated services requiring specific expertise are recorded as contributions at their estimated fair value at the date of donation. Many individuals volunteer their time and perform a variety of tasks that assist CASA with specific program services, campaign solicitations and various other activities that are not recorded as contributions, since they do not meet the recognition criteria.

Contributions -

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. Such contributions are required to be reported as temporarily restricted support and are then reclassified to unrestricted net assets upon the expiration of the time restriction.

Advertising costs -

Advertising costs are expensed as incurred.

Compensated absences -

Compensated absences have not been accrued because the amount cannot be reasonably estimated.

CASA OF TARRANT COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011
(Continued)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

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 activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

(2) PROPERTY AND EQUIPMENT:

Property and equipment are summarized by major classifications as follows:

	<u>12/31/2012</u>	<u>12/31/2011</u>
Office furniture and fixtures	\$ 40,370	\$35,016
Leasehold improvements	10,793	0
Equipment	<u>118,318</u>	<u>66,009</u>
	169,481	101,025
Less accumulated depreciation	<u>(94,519)</u>	<u>(78,796)</u>
	\$ <u>74,962</u>	\$ <u>22,229</u>

Depreciation expense for December 31, 2012 and 2011 was \$15,723 and \$6,402, respectively.

(3) ASSETS RESTRICTED FOR PERMANENT ENDOWMENT

The Organization invests the assets restricted for permanent endowment in certificates of deposit with a local bank. The cost basis in the certificates of deposits equals the market value.

(4) OBLIGATION UNDER OPERATING LEASE:

The organization leases its office facilities under an operating lease that expires August 31, 2015. All of the organization's property and equipment has been pledged as collateral against the office lease commitment. Future minimum lease payments under this lease at December 31, 2012 are as follows:

December 31, 2013	\$ 97,573
December 31, 2014	99,811
December 31, 2015	<u>67,138</u>
Total	\$ <u>264,522</u>

(5) RETIREMENT PLAN:

CASA has an informal retirement plan covering substantially all employees. CASA makes annual contributions equal to 3% of each employee's salary up to a maximum contribution of \$2,000 per employee. CASA contributed \$15,915 and \$15,466 to this plan during 2012 and 2011, respectively.

CASA OF TARRANT COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011
(Continued)

(6) MAJOR SOURCES OF SUPPORT:

CASA receives reimbursements of certain program service costs through grants from the United States Department of Justice and the State of Texas. Revenues from such grants are recognized to the extent that qualified program service costs are expensed. CASA depends significantly on its grants from state and federal agencies.

(7) DONATED SERVICES:

During the years ended December 31, 2012 and 2011, the value of contributed services meeting the requirements for recognition in the financial statements was \$54,184 and \$38,279, respectively. The \$54,184 of contributed services for 2012 was recorded as In-kind contributions and as CASA program costs of \$29,122, as equipment of \$25,002 and as fundraising expense of \$60. The \$38,279 of contributed services for 2011 was recorded as In-kind contributions and as CASA program costs of \$36,729 and as fundraising expense of \$1,550.

(8) SUBSEQUENT EVENTS:

The Organization evaluated subsequent events after the balance sheet date of December 31, 2012 through July 18, 2012, which was the date the financial statements were issued, and concluded that no additional disclosures are required.

(9) NET ASSETS RELEASED FROM RESTRICTIONS:

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors during the year.

Purpose restrictions accomplished:	<u>12/31/12</u>	<u>12/31/11</u>
CASA Program	\$ 6,516	\$ 6,398
Technology upgrade and fixed assets	<u>11,573</u>	<u>962</u>
	\$ <u>18,089</u>	\$ <u>7,360</u>

(10) TEMPORARILY RESTRICTED NET ASSETS:

Temporarily restricted net assets represent contributions and grants for which the donors have imposed restrictions. Temporarily restricted net assets are available for the following purposes:

Purpose of restrictions:	<u>12/31/12</u>	<u>12/31/11</u>
CASA Program	\$ 40,640	\$ 18,056
Technology upgrade and fixed assets	<u>5,765</u>	<u>11,578</u>
	\$ <u>46,405</u>	\$ <u>29,634</u>

(11) RESTRICTED NET ASSETS:

Permanently restricted net assets are restricted for an endowment. Once the corpus reaches \$100,000, the interest will be available to support general activities.

SUPPLEMENTAL INFORMATION

Curt H. Osiek
Bryan K. Rhodes
Joan T. Washburn
Lisa M. Wharton

INDEPENDENT AUDITOR'S REPORT
ON ADDITIONAL INFORMATION

To the Board of Directors

CASA of Tarrant County, Inc.:

Our report on our audits of the basic financial statements of CASA of Tarrant County, Inc. for the years ended December 31, 2012 and 2011 appears on page 1. Those audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The additional information contained in Schedules I, II and III is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information in Schedules I, II and III has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Rhodes Osiek & Company

Arlington, Texas

July 5, 2013

CASA OF TARRANT COUNTY, INC.

TEXAS CASA SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2012

<u>Grantor</u> <u>Program Title</u>	<u>Award</u> <u>Amount</u>	<u>Accrued</u> <u>12/31/11</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Accrued</u> <u>12/31/12</u>
Texas CASA #11-26 2011-2012	\$ 382,218	\$ 48,303	\$ 332,691	\$ 284,388	\$ 0
Texas CASA #11-26 2012-2013	<u>324,713</u>	<u>0</u>	<u>55,294</u>	<u>112,774</u>	<u>57,480</u>
Total	<u>\$ 706,931</u>	<u>\$ 48,303</u>	<u>\$ 387,985</u>	<u>\$ 397,162</u>	<u>\$ 57,480</u>

CASA OF TARRANT COUNTY, INC.

VOCA SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2012

<u>Grantor</u> <u>Program Title</u>	<u>Award</u> <u>Amount</u>	<u>Accrued</u> <u>12/31/11</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Accrued</u> <u>12/31/12</u>
VOCA #13575-12 2011-2012	\$ 128,577	\$ 21,430	\$ 107,148	\$ 85,718	\$ 0
VOCA #13575-13 2012-2013	<u>127,680</u>	<u>0</u>	<u>21,280</u>	<u>42,560</u>	<u>21,280</u>
Total	<u>\$ 256,257</u>	<u>\$ 21,430</u>	<u>\$ 128,428</u>	<u>\$ 128,278</u>	<u>\$ 21,280</u>

CASA OF TARRANT COUNTY, INC.

NATIONAL CASA SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2012

<u>Grantor</u> <u>Program Title</u>	<u>Award</u> <u>Amount</u>	<u>Payable</u> <u>12/31/11</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Payable</u> <u>12/31/12</u>
National CASA #TX10532-09-0709-E2 2011-2012	\$ <u>44,000</u>	\$ (16)	\$ <u>29,200</u>	\$ <u>29,216</u>	\$ <u>0</u>
Total	\$ <u>44,000</u>	\$ (16)	\$ <u>29,200</u>	\$ <u>29,216</u>	\$ <u>0</u>