

Curt H. Osiek
Michael A. Patyk
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, 2013 and 2012 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, 2013 and 2012 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 Patyk & Company

Arlington, Texas

July 16, 2014

CASA OF TARRANT COUNTY, INC.

STATEMENTS OF FINANCIAL POSITION AS OF
DECEMBER 31, 2013 AND 2012 (NOTE 1)

ASSETS

	<u>DECEMBER 31, 2013</u>	<u>DECEMBER 31, 2012</u>
Cash and cash equivalents	\$ 931,317	\$ 671,181
Grants receivable	152,600	161,990
Prepaid expenses	9,304	8,683
Property and equipment, at cost, net of accumulated depreciation (Note 2)	58,662	74,962
Security deposit	8,114	8,114
Assets restricted for permanent endowment (Notes 3 and 11)	<u>99,549</u>	<u>88,213</u>
Total assets	<u>\$ 1,259,546</u>	<u>\$ 1,013,143</u>

LIABILITIES AND NET ASSETS

Liabilities:

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

Net Assets:

Unrestricted operating net assets	1,096,008	835,685
Temporarily restricted net assets (Note 10)	26,215	46,405
Permanently restricted net assets (Note 11)	<u>107,323</u>	<u>101,053</u>
Net assets	<u>1,229,546</u>	<u>983,143</u>
Total liabilities and net assets	<u>\$ 1,259,546</u>	<u>\$ 1,013,143</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, 2013

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL</u>
SUPPORT AND REVENUES:				
Contributions	\$ 605,620	\$ 5,485	\$ 6,250	\$ 617,355
Grants from Texas CASA	368,670	0	0	368,670
Grants from VOCA	128,011	0	0	128,011
Grants from other agencies	106,454	0	0	106,454
Special events	316,276	0	0	316,276
In-kind contributions	6,660	0	0	6,660
Interest income	820	0	20	840
Miscellaneous income	2,850	0	0	2,850
Net assets released from Restrictions (Note 9)	<u>25,675</u>	<u>(25,675)</u>	<u>0</u>	<u>0</u>
Total Support and Revenues	<u>1,561,036</u>	<u>(20,190)</u>	<u>6,270</u>	<u>1,547,116</u>
EXPENSES:				
Program Services:				
CASA	<u>1,126,199</u>	<u>0</u>	<u>0</u>	<u>1,126,199</u>
Total program services	1,126,199	0	0	1,126,199
Support Services:				
Administration	99,530	0	0	99,530
Fundraising	<u>74,984</u>	<u>0</u>	<u>0</u>	<u>74,984</u>
Total support services	<u>174,514</u>	<u>0</u>	<u>0</u>	<u>174,514</u>
Total Expenses	<u>1,300,713</u>	<u>0</u>	<u>0</u>	<u>1,300,713</u>
CHANGE IN NET ASSETS	260,323	(20,190)	6,270	246,403
NET ASSETS, Beginning of Year	<u>835,685</u>	<u>46,405</u>	<u>101,053</u>	<u>983,143</u>
NET ASSETS, End of Year	<u>\$ 1,096,008</u>	<u>\$ 26,215</u>	<u>\$ 107,323</u>	<u>\$ 1,229,546</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.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2013

	Child Advocates Program	Admini- stration	Fund Raising	Total 2013
Salaries	\$ 633,120	\$ 43,490	\$ 46,945	\$ 723,555
Employee benefits	109,684	6,778	6,881	123,343
Payroll taxes	<u>55,605</u>	<u>3,820</u>	<u>4,123</u>	<u>63,548</u>
Total salaries and Related expenses	798,409	54,088	57,949	910,446
Professional fees	0	5,000	0	5,000
Training and travel	6,004	0	0	6,004
Other operating expense	44,803	27,066	4,404	76,273
Marketing	37,126	0	0	37,126
Fundraising	0	0	2,383	2,383
Special Events	92,809	0	0	92,809
Volunteer recognition	3,412	0	0	3,412
Office expense	4,509	371	424	5,304
Telephone	4,334	357	408	5,099
Postage	2,581	213	243	3,037
Printing	12,935	0	0	12,935
Occupancy	97,453	8,026	9,173	114,652
In-kind program costs	3,980	0	0	3,980
Insurance	<u>4,478</u>	<u>1,475</u>	<u>0</u>	<u>5,953</u>
Total expenses before Depreciation	1,112,833	96,596	74,984	1,284,413
Depreciation	<u>13,366</u>	<u>2,934</u>	<u>0</u>	<u>16,300</u>
Total expenses	<u>\$ 1,126,199</u>	<u>\$ 99,530</u>	<u>\$ 74,984</u>	<u>\$ 1,300,713</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

	<u>Child</u> <u>Advocates</u>	<u>Admini-</u> <u>stration</u>	<u>Fund</u> <u>Raising</u>	<u>Total</u> <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.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	DECEMBER 31, <u>2013</u>	DECEMBER 31, <u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 246,403	\$ 218,865
(Deduct) items to convert excess of support revenue over expenses to cash basis		
Depreciation	16,300	15,723
(Increase) decrease in receivables	9,390	(22,583)
(Increase) decrease in prepaid expenses	(621)	(1,055)
(Increase) in security deposits	0	0
Increase(decrease) in accounts payable	0	(3,951)
Increase(decrease) in unearned revenue	<u>0</u>	<u>5,000</u>
Net cash generated (used) by operating Activities	271,472	211,999
CASH FLOWS FROM INVESTING ACTIVITIES:		
(Purchase) of property and equipment	(0)	(68,456)
(Purchase) of restricted investment	<u>(11,336)</u>	<u>(12,657)</u>
Net cash (used) by investing Activities	<u>(11,336)</u>	<u>(81,113)</u>
Net increase (decrease) in cash and cash equivalents	260,136	130,886
CASH AND CASH EQUIVALENTS, beginning of year	<u>671,181</u>	<u>540,295</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 931,317</u>	<u>\$ 671,181</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, 2013 AND 2012

(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, 2013 AND 2012
(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, 2013 AND 2012
(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>12/31/2013</u>	<u>12/31/2012</u>
Office furniture and fixtures	\$ 40,370	\$ 40,370
Leasehold improvements	10,793	10,793
Equipment	<u>118,318</u>	<u>118,318</u>
	169,481	169,481
Less accumulated depreciation	<u>(110,819)</u>	<u>(94,519)</u>
	\$ <u>58,662</u>	\$ <u>74,962</u>

Depreciation expense for December 31, 2013 and 2012 was \$16,300 and \$15,723, 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, 2013 are as follows:

December 31, 2014	\$ 99,811
December 31, 2015	<u>67,138</u>
Total	<u>\$166,949</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 \$13,881 and \$15,915 to this plan during 2013 and 2012, respectively.

CASA OF TARRANT COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(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, 2013 and 2012, the value of contributed services meeting the requirements for recognition in the financial statements was \$6,660 and \$54,184, respectively. The \$6,660 of contributed services for 2013 was recorded as In-kind contributions and as CASA program costs of \$5,410 and as fundraising expense of \$1,250. 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.

(8) SUBSEQUENT EVENTS:

The Organization evaluated subsequent events after the balance sheet date of December 31, 2013 through July 16, 2014, 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>12/31/13</u>	<u>12/31/12</u>
CASA Program	\$ 19,910	\$ 6,516
Technology upgrade and fixed assets	<u>5,765</u>	<u>11,573</u>
	\$ <u>25,675</u>	\$ <u>18,089</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>12/31/13</u>	<u>12/31/12</u>
CASA Program	\$ 26,215	\$ 40,640
Technology upgrade and fixed assets	<u>0</u>	<u>5,765</u>
	\$ <u>26,215</u>	\$ <u>46,405</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
Michael A. Patyk
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.:

To the Board of Directors

CASA of Tarrant County, Inc.:

We have audited the financial statements of CASA of Tarrant County, Inc. as of and for the years ended December 31, 2013 and 2012 and have issued our report thereon dated July 16, 2014, which contains an unmodified opinion on those financial statements. Our audits were performed for the purpose of forming an opinion on the financial statements as a whole. The additional information contained in Schedules I and II is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information in Schedules I and II has been subjected to the auditing procedures applied in the audits of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Rhodes Osiek Patyk & Company

Arlington, Texas

July 16, 2014

CASA OF TARRANT COUNTY, INC.

TEXAS CASA SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2013

<u>Grantor Program Title</u>	<u>Award Amount</u>	<u>Accrued 12/31/12</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Accrued 12/31/13</u>
Texas CASA #14-26 2013-2014	\$ 308,477	\$ 0	\$ 46,271	\$ 94,888	\$ 48,617
Texas CASA #13-26 2012-2013	<u>324,713</u>	<u>57,480</u>	<u>269,922</u>	<u>212,442</u>	<u>0</u>
Total	\$ <u>633,190</u>	\$ <u>57,480</u>	\$ <u>316,193</u>	\$ <u>307,330</u>	\$ <u>48,617</u>

CASA OF TARRANT COUNTY, INC.

VOCA SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2013

<u>Grantor Program Title</u>	<u>Award Amount</u>	<u>Accrued 12/31/12</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Accrued 12/31/13</u>
VOCA #13575-15 2013-2014	\$ 128,674	\$ 0	\$ 21,446	\$ 42,891	\$ 21,445
VOCA #13575-14 2012-2013	<u>127,680</u>	<u>21,280</u>	<u>106,400</u>	<u>85,120</u>	<u>0</u>
Total	<u>\$ 256,354</u>	<u>\$ 21,280</u>	<u>\$ 127,846</u>	<u>\$ 128,011</u>	<u>\$ 21,445</u>