

DOUGLAS COUNTY CASA, INC.
LAWRENCE, KANSAS

FINANCIAL STATEMENTS
For the year ended December 31, 2010

And

INDEPENDENT AUDITORS' REPORT

Long CPA, PA
A Professional Association
Certified Public Accountants

Long CPA, PA

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Shareholder

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The Board of Directors
Douglas County CASA, Inc.
Lawrence, KS 66044

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

We have audited the accompanying statement of financial position of Douglas County CASA, Inc. (a nonprofit organization) as of December 31, 2010, and the related statements of activities, functional expenses, changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and the 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 audit provides 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 Douglas County CASA, Inc. as of December 31, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



Long CPA, PA
A Professional Association
Certified Public Accountants

May 12, 2011

DOUGLAS COUNTYCASA, INC.
Lawrence, Kansas

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report on Financial Statements	1
Financial Statements	
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7-11

DOUGLAS COUNTY CASA, INC.

Lawrence, Kansas

STATEMENT OF FINANCIAL POSITION

As of December 31, 2010

Assets		
Current assets		
Cash in bank (Note 3)	\$ 167,382	
Promises to give, unrestricted (Note 1)	<u>30,588</u>	
Total current assets		\$ 197,970
Fixed assets		
Furniture (Note 2)	42,990	
Accumulated depreciation (Note 1)	<u>(31,619)</u>	
		11,371
Other assets		
Endowment funds		<u>40,450</u>
Total assets		<u>\$ 249,791</u>
Liabilities and Net Assets		
Current Liabilities		
Total current liabilities		\$ -
Net Assets		
Unrealized gain (loss) on investments		2,501
Net assets - unrestricted		<u>247,290</u>
Total liabilities and net assets		<u>\$ 249,791</u>

The accompanying notes to financial statements
are an integral part of this statement.

DOUGLAS COUNTY CASA, INC.

Lawrence, Kansas

STATEMENT OF ACTIVITIES

For the year ended December 31, 2010

Support

United Way of Douglas County	\$	30,588
Donations		16,766
Douglas County		45,500
City of Lawrence		20,000
Crime Victims Assistance Fund		8,511
Permanent family fund		11,143
Rice Foundation		5,000
Other Grants		4,716
Fundraisers		73,599

Revenues

Miscellaneous income		7,004
Interest income		970
Dividend income		881
Gain (loss) on sale of investments		(966)
		<hr/>
		223,712

Expenditures

Program services		128,120
Fundraising		12,084
Support services		
Management and general		52,817
		<hr/>
		193,021

Change in Net Assets - Unrestricted

\$ 30,691

The accompanying notes to financial statements
are an integral part of this statement.

DOUGLAS COUNTY CASA, INC.

Lawrence, Kansas

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2010

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 69,109	\$ 44,185		\$ 113,294
Payroll taxes	5,501	3,517		9,018
Insurance: worker's compensation	284	182		466
Insurance: health	3,536	2,260		5,796
Insurance: liability		2,673		2,673
Scholarships	10,677			10,677
Professional services	5,013			5,013
Corporate annual report	40			40
Conferences and meetings				-
Memberships and subscriptions	673			673
Occupancy	12,350			12,350
Phone, fax, internet	2,315			2,315
Postage	2,239			2,239
Copier/fax rental	938			938
Supplies: office	4,156			4,156
Supplies: other	783			783
Small equipment	2,309			2,309
Advertisements	1,384			1,384
Training				-
Volunteer appreciation				-
Supplies			12,084	12,084
Miscellaneous	4,315			4,315
Depreciation	2,498			2,498
Total Expenses	<u>\$ 128,120</u>	<u>\$ 52,817</u>	<u>\$ 12,084</u>	<u>\$ 193,021</u>

The accompanying notes to financial statements
are an integral part of this statement

DOUGLAS COUNTY CASA, INC.

Lawrence, Kansas

STATEMENT OF CASH FLOWS

For the year ended December 31, 2010

Cash flows from operating activities

**Reconciliation of changes in net assets to net cash
provided (used) by operating activities:**

Increase (decrease) in net assets	\$ 30,691
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation	2,498
Non cash contributions	(1,669)
Decrease (increase) in: Promises to give	-

Net cash provided (used) by operating activities 31,520

Cash flows from investing activities

Purchase of depreciable assets	(3,596)
Purchase of securities	(56,456)
Sale of securities	31,456
Loss on sale of investments	966
Increase in endowment funds	(881)

Net cash provided (used) by investing activities (28,511)

Net increase (decrease) in cash for period 3,009

Cash as of beginning of period 164,373

Cash as of end of period \$ 167,382

Supplemental Information

Interest paid \$ -

Income taxes paid \$ -

The accompanying notes to financial statements
are an integral part of this statement

DOUGLAS COUNTY CASA, INC.

Lawrence, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies

Douglas County CASA, Inc. is incorporated as a nonprofit organization under the laws of the State of Kansas. Douglas County CASA, Inc. was organized in Douglas County, Kansas in 1991 as an advocate for the best possible permanent placement for each child it represents, to improve local practices pertaining to children, and to create public awareness of the problems of children in Douglas County. The Organization's policy is to prepare its financial statements on the accrual basis in accordance with accounting principles generally accepted in the United States of America for nonprofit organizations.

Financial Statement Presentation

In 1997, Douglas County CASA, Inc. elected to adopt Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations". Under SFAS No. 117, Douglas County CASA, Inc. 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. In addition, Douglas County CASA, Inc. is required to present a statement of cash flows. As permitted by this new statement, Douglas County CASA, Inc. has discontinued its use of fund accounting and has, accordingly, reclassified its financial statements to present the three classes of net assets required.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Any adjustments applied to estimated amounts are recognized in the year in which such adjustments are determined.

Cash Flows

The Organization considers all short-term investments with an original maturity of three months or less to be cash equivalents.

DOUGLAS COUNTY CASA, INC.

Lawrence, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies (continued)

Equipment and Depreciation

Property and equipment are recorded at cost. Depreciation is provided using the straight-line method over the estimated useful life of the respective asset. Depreciation recorded for the year ended December 31, 2010 was \$ 2,498.

Expenditures for major renewals that results in an asset having an estimated useful life which extends substantially beyond the year of acquisition, the expenditure is capitalized at cost and depreciated. Expenditures for maintenance and repairs are charged to expense as incurred.

Unconditional Promises to Give

Contributions are recognized when the donor makes a promise to give to Douglas County CASA, Inc. that is, in substance, unconditional. Contributions that are restricted by the donor are reported as an increase in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. All promises to give are valued at fair market value. All promises to give are deemed collectible. The United Way funding allocation for the subsequent year is considered an unconditional promise to give.

Less than one year

\$30,588

Income Tax Status

Douglas County CASA, Inc. is a not-for-profit organization that is exempt from income taxes under section 501(c) (3) of the Internal Revenue Code. No income tax provision is made in these financial statements. Douglas County CASA, Inc. has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) of the Code because the Organization is described in section 509 (a)(3). There was no unrelated business income for 2010.

DOUGLAS COUNTY CASA, INC.

Lawrence, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies (continued)

Investments

Investments in marketable securities with readily determinable fair values are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Donated Services

No amounts have been reported in the financial statements for donated services as no objective basis is available to measure the value of such services.

NOTE 2 – Cash and Temporary Cash Investments Credit Risk

Cash includes demand deposits and funds invested at market rates in interest bearing accounts. At year end, the Organization's carrying amount of deposits and cash on hand was \$ 167,382 and the bank balance was \$ 167,540. The difference between the carrying amount and the bank balance is outstanding checks and deposits in transit. Amounts, other than the funds invested with a mutual fund, are held in Lawrence, Kansas banks. The Federal Deposit Insurance Corporation covers non-interest bearing and interest bearing accounts up to \$250,000 per bank per account type. Of the bank balance, \$ 167,540 was covered by FDIC insurance. The entire amount was insured. The amount held in the mutual fund is at a local brokerage firm and is not covered by federal deposit insurance.

DOUGLAS COUNTY CASA, INC.
Lawrence, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 3 – Investments

The Organization investments consist of the following a December 31, 2010:

	Cost	Market Value	Unrealized Appreciation (Depreciation)
Mutual Funds	\$ 37,949	\$ 40,450	\$ 2,501
	\$ 37,949	\$ 40,450	\$ 2,501

Investment return is summarized as follows:

Unrealized gains (losses)	\$ 2,501
	\$ 2,501

NOTE 4 – Property and Equipment

Property and equipment are summarized by major classification at December 31, 2010 as follows:

Furniture and equipment	\$ 42,990
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NOTE 5 – Risk Management

The Organization is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters fro which the Organization carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

Note 6 – Subsequent Events

Subsequent events for management’s review have been evaluated through May 12, 2011. The date in the prior sentence is the date the financial statements were available to be issued.

DOUGLAS COUNTY CASA, INC.
Lawrence, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 7 – Compensated Absences

The Organization provides for sick and vacation leave. Sick leave is accrued at the rate of 15 days per year for the executive director, ten days per year for other full time staff, and a prorated amount for part time employees. Sick leave may be carried over from year to year, however a maximum of 30 working days may be used in any one year. Unused sick leave is not paid to the employee at the time of termination. Vacation leave accrues as follows: executive director, 15 days per year for the first three years of employment, other full time staff, ten days per year for the first three years, 15 days per year for the following years. Part time employees receive a prorated amount. Unused vacation time is forfeited at the end of each calendar year. Unused vacation time is paid at the time of termination. The provision for accrued sick and vacation leave would not be material to the financial statements; therefore, no provision is made for accrued sick and vacation leave in these financial statements.

NOTE 8 – Operating Leases

In October 2009 the organization entered into an operating lease for office space. The term of the lease is four years. The monthly payment is \$ 850 per month for the first 24 months and \$ 1,000 per month for the following 24 months. Future rental payments are as follows:

2011	\$ 10,500
2012	12,000
2013	<u>10,000</u>
	<u>\$ 32,500</u>

The organization leases a printer as an operating lease. There are 48 payments of \$ 72.81 per month. The future minimum lease payments are as follows:

2011	\$ 874
2012	874
2013	<u>874</u>
	<u>\$ 2,622</u>