

**CASA of the Continental Divide
Financial Statements
June 30, 2013**

**CASA of the Continental Divide
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June 30, 2013**

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Independent Auditor's Report

**To the Board of Directors
CASA of the Continental Divide
Dillon, Colorado**

We have audited the accompanying financial statements of CASA of the Continental Divide (a nonprofit organization) which comprise the statement of financial position as of June 30, 2013, and the related statements of activities 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 of the Continental Divide as of June 30, 2013, 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.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 9 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 has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional 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.



**Stuhr and Associates, LLC
Frisco, Colorado
November 6, 2013**

CASA of the Continental Divide
Statement of Financial Position
June 30, 2013

| ASSETS | Unrestricted | Temporarily Restricted | Total |
|--|---------------------|-----------------------------------|----------------|
| Cash and cash equivalents | \$ 122,798 | 62,500 | 185,298 |
| Investments | 137,998 | - | 137,998 |
| Accounts receivable | 20,071 | - | 20,071 |
| Security deposit | 367 | - | 367 |
| Property and equipment, net of accumulated depreciation | 3,574 | - | 3,574 |
| TOTAL ASSETS | <u>284,808</u> | <u>62,500</u> | <u>347,308</u> |
| LIABILITIES | | | |
| Accounts payable | 10,081 | - | 10,081 |
| Accrued wages and payroll liabilities | 10,694 | - | 10,694 |
| Accrued vacations payable | 8,765 | - | 8,765 |
| TOTAL LIABILITIES | <u>29,540</u> | <u>-</u> | <u>29,540</u> |
| NET ASSETS | | | |
| Unrestricted net assets | 255,268 | - | 255,268 |
| Temporarily restricted net assets | - | 62,500 | 62,500 |
| TOTAL NET ASSETS | <u>255,268</u> | <u>62,500</u> | <u>317,768</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>284,808</u> | <u>62,500</u> | <u>347,308</u> |

See accompanying notes to the financial statements

**CASA of the Continental Divide
Statement of Activities
For the Year Ended June 30, 2013**

| | Unrestricted | Temporarily Restricted | Total |
|--|---------------------|-----------------------------------|----------------|
| PUBLIC SUPPORT, REVENUES, AND RECLASSIFICATIONS | | | |
| Contributions and grants | \$ 210,582 | 50,000 | 260,582 |
| Special events | 109,169 | - | 109,169 |
| Program fees | 1,105 | - | 1,105 |
| Contributed services and facilities | 205,063 | - | 205,063 |
| Investment return | 754 | - | 754 |
| Net assets released from restrictions | 37,500 | (37,500) | - |
| TOTAL PUBLIC SUPPORT, REVENUES, AND RECLASSIFICATIONS | 564,173 | 12,500 | 576,673 |
| EXPENSES | | | |
| Program services, excluding depreciation | 428,702 | - | 428,702 |
| Supporting services, excluding depreciation: | | | |
| Administration | 25,387 | - | 25,387 |
| Fund-raising | 66,842 | - | 66,842 |
| TOTAL EXPENSES, EXCLUDING DEPRECIATION | 520,931 | - | 520,931 |
| Depreciation | 1,949 | - | 1,949 |
| TOTAL EXPENSES | 522,880 | - | 522,880 |
| CHANGE IN NET ASSETS | 41,293 | 12,500 | 53,793 |
| NET ASSETS AS OF BEGINNING OF YEAR (as restated) | 213,975 | 50,000 | 263,975 |
| NET ASSETS AS OF END OF YEAR | 255,268 | 62,500 | 317,768 |

See accompanying notes to the financial statements.

**CASA of the Continental Divide
Statement of Cash Flows
For the Year Ended June 30, 2013**

| | 2013 |
|--|-----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Contributions and grants | \$ 260,582 |
| Program fees | 1,105 |
| Fundraising events | 92,123 |
| Interest and dividends | 754 |
| Cash paid for goods and services | (302,391) |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | 52,173 |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Investment in long-term certificates of deposit | (20,522) |
| Purchase of equipment | (2,511) |
| NET CASH (USED) BY INVESTING ACTIVITIES | (23,033) |
| NET INCREASE (DECREASE) IN CASH | 29,140 |
| CASH AT BEGINNING OF YEAR | 156,158 |
| CASH AT END OF YEAR | 185,298 |
| RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES | |
| CHANGE IN NET ASSETS | 53,793 |
| Depreciation | 1,949 |
| (Increase) decrease in Accounts receivable | (17,046) |
| Increase (decrease) in Accounts payable | 4,522 |
| Increase (decrease) in Accrued wages and payroll liabilities | 7,378 |
| Increase (decrease) in Accrued vacations payable | 1,577 |
| Total Adjustments | (1,620) |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | 52,173 |

See accompanying notes to the financial statements

**CASA of the Continental Divide
Notes to Financial Statements
June 30, 2013**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

CASA of the Continental Divide and Nature of Activities

CASA of the Continental Divide (“CASA”) is a nonprofit corporation formed in 1998 pursuant to the laws of the State of Colorado, for the purpose of providing court-appointed trained volunteers who advocate in court for the best interest of children who are victims of abuse and neglect in the 5th Judicial District of Colorado in order to find them safe and permanent homes as soon as possible. Colorado’s 5th Judicial District includes Clear Creek, Eagle, Lake, and Summit counties. The organization’s office is located at 330 Fiedler Avenue, Dillon, Colorado. CASA is supported primarily by grants and contributions.

Public Support and Revenue

Contributions are recognized when the donor makes a promise to give to CASA that is, in substance, unconditional. Unconditional promises to give due in the next year are reflected as current promises to give and are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reflected as long-term promises to give and are recorded at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are received to discount the amounts.

Grants and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. Contributions of property and equipment without donor-imposed stipulations are recorded as unrestricted contributions at their fair value in the year received.

Accounts receivable as of June 30, 2013 are unrestricted net assets and result from the golf tournament special event that took place in June 2013.

Management reviews accounts receivable regularly to determine if any receivable will potentially be uncollectible. Based on management’s evaluation, all accounts receivable are considered to be collectible and, therefore, no allowance for doubtful accounts is provided at year-end.

Financial Statement Presentation

CASA is required to report information regarding its financial position and activities according to three classes of net assets: Unrestricted, temporarily restricted and permanently restricted.

CASA of the Continental Divide
Notes to Financial Statements
June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

CASA is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

CASA is subject to examination in the U.S. federal tax jurisdiction for the 2009 – 2011 tax years. There are no current examinations of the CASA's prior year tax returns. No changes in this position are expected in the next twelve months.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

CASA considers all highly liquid investments with a maturity of four months or less when purchased to be cash equivalents. At June 30, 2013 cash and cash equivalents consisted of checking, certificates of deposit, and money market accounts.

Investments

Investments consist of certificates of deposit with a maturity exceeding four months when purchased. At June 30, 2013 CASA's investments included the following:

| | |
|---|-----------------------|
| One year certificate of deposit, maturity date August 25, 2013 | \$103,224 |
| Six month certificate of deposit, maturity date August 25, 2013 | 14,716 |
| Six month certificate of deposit, maturity date July 19, 2013 | <u>20,058</u> |
| Total | <u><u>137,998</u></u> |

Property and equipment

Property and equipment are capitalized at cost. Furniture and equipment are being depreciated over estimated useful lives of five to ten years using a straight-line method. Expenditures for additions or major replacements exceeding \$1,000 in cost are capitalized.

NOTE 2: FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

CASA's financial instruments consist of cash, investments, receivables, and payables. The carrying amount of cash, receivables and payables approximates fair value because of the short-term nature of these items.

CASA of the Continental Divide
Notes to Financial Statements
June 30, 2013

NOTE 3: PROPERTY AND EQUIPMENT

The following is a summary of property and equipment as of June 30, 2013:

| | |
|-------------------------------|-----------------|
| Furniture and fixtures | \$1,803 |
| Office equipment | 25,294 |
| Total property and equipment | <u>27,097</u> |
| Less accumulated depreciation | <u>(23,523)</u> |
| Net property and equipment | <u>3,574</u> |

NOTE 4: TEMPORARILY RESTRICTED NET ASSETS

CASA received two \$50,000 grant awards, one in June of 2012 and the other in June of 2013, to be spent on primarily salaries in the subsequent fiscal periods according to the grant documents. During the year ended June 30, 2013 \$37,500 of the grant was spent and reclassified to net assets released from restriction. As of June 30, 2013, \$62,500 of the total \$100,000 received remained unspent and considered to be temporarily restricted net assets.

NOTE 5: CONCENTRATION OF CREDIT RISK

CASA maintains its cash and cash equivalents and investments with high quality banks and investment firms. Bank accounts are secured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. At June 30, 2013 no amount exceeded this FDIC insured amount.

The investment balances are held in a credit union and are secured by the National Credit Union Administration ("NCUA") up to \$250,000. At June 30, 2013, no amount exceeded this NCUA insured amount.

NOTE 6: OPERATING LEASE COMMITMENTS

Effective June 1, 2012 CASA entered into a lease agreement for office space. The initial term of the lease is June 1, 2012 and ending June 30, 2014. Rental for the initial term is \$19,465 per two years, payable in installments of \$811 per month.

Also effective June 1, 2012 CASA entered into a lease agreement for additional office space/conference room. The initial term of the lease is June 1, 2012 and ending June 30, 2014. Rental for the initial term is \$9,595 per two years, payable in installments of \$400 per month.

Total rent expense under these leases for the year ended June 30, 2013 was \$13,455.

NOTE 7: EMPLOYEE BENEFIT PLAN

Effective January 1, 2013 CASA established a SIMPLE IRA plan. Eligible participants may elect under a salary reduction agreement to have a percentage of their compensation contributed to the SIMPLE IRA. Under the plan, CASA makes a matching contribution of up to 3% of each participant's compensation. No matching contributions were made during the year ended June 30, 2013

NOTE 8: DONATED SERVICES

CASA receives a significant amount of donated services from trained volunteers. Such services totaled \$150,280 for the year ended June 30, 2013 and are recognized as support and expense in the accompanying financial statements.

CASA of the Continental Divide
Notes to Financial Statements
June 30, 2013

NOTE 8: DONATED SERVICES (continued)

CASA also receives donated services from unpaid volunteers who assist in administrative tasks, fund-raising and special projects. No amounts have been recognized in the statement of activities because the criteria for recognition under FASB ASC 958-605 have not been satisfied. The estimated value of these donated services is \$6,450.

NOTE 9: FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and activities 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.

NOTE 10: RESTATEMENT OF BEGINNING NET ASSETS

The beginning net assets have been restated to reflect the correction of the treatment of the \$50,000 grant award discussed at Note 4 from deferred revenue on the balance sheet to temporarily restricted net assets. The total restatement amount was \$50,000.

NOTE 11: EVALUATION OF SUBSEQUENT EVENTS

CASA has evaluated subsequent events through November 6, 2013, the date which the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

**CASA of the Continental Divide
Schedule of Functional Expenses
For the Year Ended June 30, 2013**

| | Program Services | Supporting Services | | | Total |
|---|-----------------------|--------------------------------|-------------------------------------|---------------------------------|-----------------------|
| | | Manage- ment and General | Develop- ment and Fundraising | Total Supporting Services | |
| ACTUAL EXPENSES: | | | | | |
| Salaries and benefits | \$ 206,610 | 15,198 | 3,757 | 18,955 | 225,565 |
| Special events | - | - | 22,688 | 22,688 | 22,688 |
| Board and staff training | 949 | - | - | - | 949 |
| Conferences and meetings | 4,255 | - | - | - | 4,255 |
| Computer services | 4,818 | - | - | - | 4,818 |
| Membership dues | 1,753 | - | - | - | 1,753 |
| Insurance | 2,539 | 964 | - | 964 | 3,503 |
| Occupancy | | | | | |
| Rent | 13,455 | - | - | - | 13,455 |
| Maintenance and supplies | 4,622 | - | - | - | 4,622 |
| Utilities | 2,602 | - | - | - | 2,602 |
| Parenting class expense | 430 | - | - | - | 430 |
| Office expenses | - | 3,582 | - | 3,582 | 3,582 |
| Telephone | 4,785 | - | - | - | 4,785 |
| Staff travel | 10,007 | - | - | - | 10,007 |
| Volunteer travel | 135 | - | - | - | 135 |
| Professional fees - accounting | - | 5,643 | - | 5,643 | 5,643 |
| Advertising and marketing | - | - | 1,727 | 1,727 | 1,727 |
| Volunteer/staff recognition | 2,998 | - | - | - | 2,998 |
| Volunteer training | 2,228 | - | - | - | 2,228 |
| Other | 123 | - | - | - | 123 |
| Subtotal | <u>262,309</u> | <u>25,387</u> | <u>28,172</u> | <u>53,559</u> | <u>315,868</u> |
| CONTRIBUTED SERVICES AND PROPERTY: | | | | | |
| Professional services | 137,060 | - | 13,220 | 13,220 | 150,280 |
| Facilities | - | - | 25,450 | 25,450 | 25,450 |
| Office expenses | 10,823 | - | - | - | 10,823 |
| Contributed services - mileage | 18,510 | - | - | - | 18,510 |
| Subtotal | <u>166,393</u> | <u>-</u> | <u>38,670</u> | <u>38,670</u> | <u>205,063</u> |
| Total expenses before depreciation | 428,702 | 25,387 | 66,842 | 92,229 | 520,931 |
| Depreciation | 1,949 | - | - | - | 1,949 |
| TOTAL EXPENSES | <u><u>430,651</u></u> | <u><u>25,387</u></u> | <u><u>66,842</u></u> | <u><u>92,229</u></u> | <u><u>522,880</u></u> |
| Percentage of total expenses by Function: | 82% | 5% | 13% | 18% | |

See the Independent Auditor's Report and accompanying notes to the financial statements