

COURT APPOINTED SPECIAL
ADVOCATES OF TRAVIS COUNTY

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2009
WITH PRIOR YEAR SUMMARIZED INFORMATION

COURT APPOINTED SPECIAL
ADVOCATES OF TRAVIS COUNTY

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Court Appointed Special
Advocates of Travis County
Austin, Texas

We have audited the accompanying statement of financial position of Court Appointed Special Advocates of Travis County (a non-profit organization) as of December 31, 2009, and the related statements of activities, cash flows and functional expense for the year then ended. These financial statements are the responsibility of Court Appointed Special Advocates of Travis County's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Organization's 2008 financial statements and, in our report dated April 1, 2009, we expressed an unqualified opinion on those financial statements.

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 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 Court Appointed Special Advocates of Travis County as of December 31, 2009 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.

Our audit was performed for the purpose of forming an opinion on the financial statements of Court Appointed Special Advocates of Travis County taken as a whole. The accompanying Statement of Activities listed in the Supplemental Schedules section of the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of Court Appointed Special Advocates of Travis County. We have applied certain limited procedures, which consisted principally of inquiries of management regarding measurement and the presentation of the supplementary information. However, we did not audit this information and express no opinion on it.

John F. Lewis, P.C.
April 8, 2010

COURT APPOINTED SPECIAL ADVOCATES OF TRAVIS COUNTY
STATEMENT OF FINANCIAL POSITION, WITH PRIOR YEAR SUMMARIZED INFORMATION
DECEMBER 31, 2009

	2009	(Comparative Totals Only) 2008
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 515,230	\$ 408,308
Accounts receivable	3,244	-
Grants receivable	218,362	41,267
Prepaid expenses	20,801	14,591
Total Current Assets	<u>757,637</u>	<u>464,166</u>
Fixed Assets		
Computer and furniture equipment	69,165	64,415
Less: Accumulated depreciation	<u>(63,164)</u>	<u>(60,308)</u>
Total Fixed Assets	<u>6,001</u>	<u>4,107</u>
Other Assets		
HRA trust balance	5,400	-
Investments - long term	14,242	11,044
Cash and cash equivalents - restricted by capital campaign	<u>80,927</u>	<u>105,903</u>
Total Other Assets	<u>100,569</u>	<u>116,947</u>
 TOTAL ASSETS	 <u>\$ 864,207</u>	 <u>\$ 585,220</u>
 LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 14,259	\$ 18,373
Compensated absences payable	19,351	19,543
Deferred revenue	<u>104,277</u>	<u>38,125</u>
Total Current Liabilities	<u>137,887</u>	<u>76,041</u>
Net Assets		
Unrestricted	396,923	403,276
Unrestricted - Board Designated Reserve	248,470	-
Temporarily restricted	<u>80,927</u>	<u>105,903</u>
Total Net Assets	<u>726,320</u>	<u>509,179</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 864,207</u>	 <u>\$ 585,220</u>

See accompanying notes to financial statements and independent auditors' report

COURT APPOINTED SPECIAL ADVOCATES OF TRAVIS COUNTY
STATEMENT OF ACTIVITIES, WITH PRIOR YEAR SUMMARIZED INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 2009</u>	<u>(Comparative Totals Only) 2008</u>
PUBLIC SUPPORT, REVENUES AND RECLASSIFICATIONS				
Public Support and Revenues				
Government contracts	\$ 552,671	\$ -	\$ 552,671	\$ 426,084
Grants	521,156	-	521,156	524,780
Contributions: cash	393,169	-	393,169	660,160
Special events fundraising, less direct expenses of \$104,458 and \$103,055	303,469	-	303,469	295,862
In-kind donations	3,238	-	3,238	-
Interest income	877	24	901	471
Miscellaneous	82	-	82	1,972
Unrealized gain on investments	3,198	-	3,198	(2,939)
Total Public Support and Revenues	1,777,860	24	1,777,884	1,906,390
Reclassifications				
Net assets released by satisfaction of restrictions	25,000	(25,000)	-	-
TOTAL PUBLIC SUPPORT, REVENUES AND RECLASSIFICATIONS	1,802,860	(24,976)	1,777,884	1,906,390
EXPENSES				
Program	1,241,914	-	1,241,914	1,314,054
Management and general	114,311	-	114,311	126,749
Fundraising	204,518	-	204,518	225,045
TOTAL EXPENSES	1,560,743	-	1,560,743	1,665,848
Change in Net Assets	242,117	(24,976)	217,141	240,542
NET ASSETS, beginning of year	403,276	105,903	509,179	268,637
NET ASSETS, end of year	\$ 645,393	\$ 80,927	\$ 726,320	\$ 509,179

See accompanying notes to financial statements and independent auditors' report

COURT APPOINTED SPECIAL ADVOCATES OF TRAVIS COUNTY
STATEMENT OF FUNCTIONAL EXPENSES, WITH PRIOR YEAR SUMMARIZED INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Program</u>	<u>Administration</u>	<u>Fundraising</u>	<u>Total 2009</u>	<u>(Comparative Totals Only) 2008</u>
EXPENSES:					
Salaries & wages	\$ 813,780	\$ 50,143	\$ 137,798	\$ 1,001,721	\$ 1,010,591
Employee benefits	120,215	7,407	20,356	147,978	182,053
Payroll taxes	61,481	3,788	10,410	75,679	77,637
	<u>995,476</u>	<u>61,338</u>	<u>168,564</u>	<u>1,225,378</u>	<u>1,270,281</u>
Computer supplies and support	22,105	1,362	6,301	29,768	56,182
Contract services	-	29,892	-	29,892	35,110
Depreciation	-	2,856	-	2,856	6,279
Direct services	21,902	-	-	21,902	17,076
Insurance	7,779	479	1,317	9,575	9,852
Occupancy	90,547	5,579	15,332	111,458	109,744
Other expenses	15,544	380	2,556	18,480	22,821
Postage and shipping	5,382	329	2,000	7,711	9,530
Printing and publications	9,056	558	5,075	14,689	22,901
Professional fees	-	8,735	-	8,735	10,350
Supplies	10,135	614	1,704	12,453	11,266
Telephone	10,685	312	856	11,853	13,804
Training	3,714	69	691	4,474	8,783
Travel	49,589	1,808	122	51,519	61,869
	<u>246,438</u>	<u>52,973</u>	<u>35,954</u>	<u>335,365</u>	<u>395,567</u>
	<u>\$ 1,241,914</u>	<u>\$ 114,311</u>	<u>\$ 204,518</u>	<u>\$ 1,560,743</u>	<u>\$ 1,665,848</u>

See accompanying notes to financial statements and independent auditors' report

COURT APPOINTED SPECIAL ADVOCATES OF TRAVIS COUNTY
STATEMENT OF CASH FLOWS, WITH PRIOR YEAR SUMMARIZED INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2009

	2009	(Comparative Totals Only) 2008
CASH FLOWS FROM OPERATING ACTIVITIES	<u>2009</u>	<u>2008</u>
Change in net assets	\$ 217,141	\$ 240,542
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	2,856	6,279
Unrealized (gain)/loss on investments	(3,198)	2,939
Donation of long-term investments	-	(13,983)
(Increase) Decrease in Operating Assets:		
(Increase) in accounts receivable	(3,244)	-
(Increase) in grants receivable	(177,095)	(9,525)
(Increase) Decrease in prepaid expenses	(6,210)	2,685
(Increase) in HRA trust balance	(5,400)	-
Increase (Decrease) in Operating Liabilities:		
Increase (Decrease) in accounts payable	(4,114)	1,264
Increase (Decrease) in compensated absences payable	(192)	5,091
Increase in deferred revenue	<u>66,152</u>	<u>38,125</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>86,696</u>	<u>273,417</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	<u>(4,750)</u>	<u>(2,750)</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>(4,750)</u>	<u>(2,750)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	81,946	270,667
CASH AND CASH EQUIVALENTS, beginning of year	<u>514,211</u>	<u>243,544</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 596,157</u>	<u>\$ 514,211</u>

See accompanying notes to financial statements and independent auditors' report

COURT APPOINTED SPECIAL ADVOCATES OF TRAVIS COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Court Appointed Special Advocates of Travis County (hereafter referred to as CASA) is presented to assist in understanding CASA's financial statements. The financial statements and notes are representations of CASA's management who is responsible for their integrity and objectivity. These accounting policies and principles conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Nature of Activities

CASA is a non-profit corporation created in 1985 under the Texas Nonprofit Corporation Act. The primary purpose of CASA is to provide trained volunteers who advise the courts about the best interests of children whose home placement is being decided by the court, usually as a result of abuse or neglect.

CASA is supported primarily through grants, private donations, and fundraising events.

Method of Accounting

The financial statements of CASA have been prepared utilizing the accrual basis of accounting. Under the accrual basis, revenues are recognized in the accounting period in which they are earned and become measurable. Expenses are recorded in the accounting period incurred, if measurable.

Income Tax Status

CASA is exempt under Section 501(c)(3) of the Internal Revenue Code from Federal Income Tax on income arising from its exempt purpose. Therefore, no provision for income taxes is included in the financial statements. Provisions for income taxes on unrelated business income are made when required for income from non-exempt activities and paid during the year.

Use of 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 the 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. Actual results could differ from those estimates.

Cash and Cash Equivalents

CASA considers all cash and other highly liquid investments with maturity of three months or less when purchased to be cash equivalents.

COURT APPOINTED SPECIAL ADVOCATES OF TRAVIS COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Promises to Give

Unconditional promises to give are recorded as received. Unconditional promises to give due in the next year are reflected as current promises to give and are recorded at their net realized 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.

Receivables

CASA's accounts receivable are valued using an allowance for collectible accounts. Under this method, a provision for uncollectible accounts based on management estimate is charged to expense and the allowance account is increased. CASA's management considers all receivables to be 100% collectible as of December 31, 2009.

Property and Equipment

Property and equipment are recorded at cost and depreciated over their estimated useful lives, ranging from three to seven years, using the straight-line method. When assets are retired, or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in the period. Maintenance and repairs are charged to expense as incurred, and significant renewals and betterments are capitalized. CASA capitalizes assets over \$2,000 that significantly extends the useful life of the assets or have a useful life greater than one year. Donations of property and equipment are recorded at fair market value on the date of donation.

Compensated Absences

CASA expenses vacation in the year earned. Upon termination, the employee is compensated for any accrued but unused vacation, not to exceed the maximum of 40 hours unless approved by the Executive Director.

Financial Statement Presentation

Unrestricted - Net assets that are not subject to any donor-imposed restriction. Under the Statement of Financial Standards (SFAS) No. 117, "*Financial Statements of Not-For-Profit Organizations*", CASA is required to report information regarding its financial position and activities according to three classes of net assets.

Temporarily restricted - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of CASA and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

COURT APPOINTED SPECIAL ADVOCATES OF TRAVIS COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

Permanently restricted - Net assets subject to donor-imposed stipulations that must be maintained permanently by CASA.

In addition, CASA is required to present a Statement of Functional Expense and a Statement of Cash Flows.

Contributions

Under SFAS No. 116, "Accounting for Contributions Received and Contributions Made," contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. Contributions that are reported as temporarily or permanently restricted support are reclassified to unrestricted net assets upon expiration of the time or purpose restriction. Contributions and grant restrictions that are satisfied in the year of receipt are reported as unrestricted revenue in the same year.

Donated Property and Services

Donated property and services are recorded at fair market value on the date of the donation as in-kind contributions if all qualifications for reporting have been met. CASA receives a significant amount of donated services from unpaid volunteers who assist in direct services, fund-raising, and special projects. CASA received 20,818 volunteer hours totaling an economic value of approximately \$433,014; additionally, a total of 161,254 miles were driven at an economic value of approximately \$88,690.

Functional Expenses

The expenses of CASA's various programs and supporting services have been reported on a functional basis. Certain expenses are allocated between program, supporting services and fund-raising based on estimates made by management. The estimates are reviewed periodically and the allocations revised by management, if necessary, to reflect changes in the activities of CASA.

Exchange Transactions

CASA considers all contracts and grants from government entities as fee for service exchange transactions and not as contributions. Therefore, revenue is recognized as earned and expenses reported as incurred.

Reclassifications

Certain amounts in the 2008 financial statements have been reclassified to conform to the 2009 presentation.

COURT APPOINTED SPECIAL ADVOCATES OF TRAVIS COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Summarized Financial Information

The accompanying financial statements include prior year summarized comparative information. Such information may 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 December 31, 2008 from which the summarized information was derived.

NOTE 2 - TEMPORARILY RESTRICTED NET ASSETS

The following is a detail of the temporarily restricted net assets:

Capital Campaign	\$ <u>80,927</u>
Total	\$ <u>80,927</u>

NOTE 3 - AVAILABLE LINES OF CREDIT

During the year ended December 31, 2009, CASA maintained various revolving lines of credit totaling \$20,000, with variable interest rates of approximately 10%. The lines of credit exist in the form of individual credit cards held by certain members of management and staff. Each credit card has a set credit limit, with the outstanding monthly balances being paid in full by the due date.

During the year ended December 31, 2009, CASA maintained an open line of credit with a local bank. The line of credit expired during the year, and the option to renew was not exercised.

NOTE 4 - OPERATING LEASE COMMITMENT

CASA is obligated for various equipment and office space under an operating lease.

Future minimum lease payments for items under operating lease are as follows:

Year ending December 31, 2010	\$ <u>111,458</u>
Total Future Minimum Lease Payments	\$ <u>111,458</u>

Rental expense totaled \$111,458 for the year ended December 31, 2009.

COURT APPOINTED SPECIAL ADVOCATES OF TRAVIS COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 5 - CONTINGENCIES

CASA participates in various federal and state financial assistance programs. These programs are subject to financial and compliance audits by the grantors or their representatives and regulatory authorities. The purpose of the audits is to ensure compliance with conditions relating to the granting of funds and other reimbursement regulations. Management believes that any liability for reimbursement which could arise as the result of these audits is not believed to be material to the financial position of CASA.

During the year ended December 31, 2009, CASA exceeded the Federal Deposit Insurance Corporation insured limit in total deposits. Management monitors these balances and has not experienced any losses on its deposits.

NOTE 6 - EMPLOYEE BENEFIT PLAN

CASA has a defined contribution plan (Simplified Employee Pension) covering eligible employees. Eligible employees at least 21 years of age and have provided one year of service. Under the plan, CASA contributes five percent (5%) of each eligible employee's salary. Contribution expenses incurred by CASA during the year ended December 31, 2009 was \$39,883.

Supplemental Schedules

COURT APPOINTED SPECIAL ADVOCATES OF TRAVIS COUNTY
STATEMENT OF ACTIVITIES - TEXAS COURT
APPOINTED SPECIAL ADVOCATES GRANT
(UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2009

Grant Name: Court Appointed Volunteer Advocate Program

Grantor Name: Texas Office of the Attorney General

	Period <u>Actual</u>
Revenue	\$ <u>178,825</u>
Expenses:	
Salary and Fringe	136,463
Operating Expenses	<u>42,489</u>
Total Expenses	<u>178,952</u>
Excess of Revenues over Expenses	\$ <u><u>(127)</u></u>

See independent auditors' report

COURT APPOINTED SPECIAL ADVOCATES OF TRAVIS COUNTY
STATEMENT OF ACTIVITIES - VICTIMS OF CRIME ACT GRANT
(UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2009

Grant Name: Victims of Crime Act Fund
Grantor Name: Texas Criminal Justice Division

	Period <u>Actual</u>
Revenue	\$ <u>106,103</u>
Expenses:	
Salary and Fringe	93,481
Operating Expenses	<u>12,707</u>
Total Expenses	<u>106,188</u>
Excess of Revenues over Expenses	\$ <u><u>(85)</u></u>

See independent auditors' report

COURT APPOINTED SPECIAL ADVOCATES OF TRAVIS COUNTY
STATEMENT OF ACTIVITIES - OTHER VICTIM ASSISTANCE GRANT FUND
(UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2009

Grant Name: Other Victim Assistance Grant Fund
Grantor Name: Texas Office of the Attorney General

	Period <u>Actual</u>
Revenue	\$ <u>50,875</u>
Expenses:	
Salary and Fringe	40,974
Operating Expenses	<u>10,088</u>
Total Expenses	<u>51,062</u>
Excess of Revenues over Expenses	\$ <u><u>(187)</u></u>

See independent auditors' report