

COURT APPOINTED SPECIAL ADVOCATES

OF MESA COUNTY

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

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Independent Accountants' Review Report

To the Board of Directors
Court Appointed Special Advocates of Mesa County
Grand Junction, Colorado

We have reviewed the accompanying financial statements of Court Appointed Special Advocates of Mesa County, which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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 controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script that reads 'Soronen Donley Patterson'.

Soronen, Donley, Patterson, CPA's PC
Grand Junction, CO
May 30, 2020

COURT APPOINTED SPECIAL ADVOCATES
OF MESA COUNTY
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019

ASSETS

CURRENT ASSETS	
Cash and Cash Equivalents	\$176,510
Grant Receivable	83,446
Inventory	1,041
TOTAL CURRENT ASSETS	<u>260,997</u>
PROPERTY & EQUIPMENT	
Equipment	6,345
Less: Accumulated Depreciation	(6,345)
NET PROPERTY & EQUIPMENT	<u>0</u>
TOTAL ASSETS	<u>\$260,997</u>

LIABILITIES & NET ASSETS

CURRENT LIABILITIES	
Accrued Payroll	\$12,559
Agency Transactions Payable	3,573
TOTAL CURRENT LIABILITIES	<u>16,132</u>
NET ASSETS	
Without Donor Restrictions	244,207
With Donor Restrictions	658
TOTAL NET ASSETS	<u>244,865</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$260,997</u>

See accompanying notes and independent accountants' review report.

COURT APPOINTED SPECIAL ADVOCATES
OF MESA COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT			
Contributions	\$69,934	\$0	\$69,934
Grants	159,203	185,473	344,676
Program Service Fees	30,615	0	30,615
Special Events	48,437	0	48,437
Less: Costs of Direct Benefits to Donors	(15,193)	0	(15,193)
CASA Store Sales	1,750	0	1,750
Less: Cost of CASA Store Sales	(1,199)	0	(1,199)
Net Assets Released from Restrictions	185,815	(185,815)	0
TOTAL REVENUE AND SUPPORT	<u>479,362</u>	<u>(342)</u>	<u>479,020</u>
EXPENSES			
Program Services			
Child Advocacy	334,540	0	334,540
Supporting Services			
Management & General	27,676	0	27,676
Fund-Raising	27,750	0	27,750
TOTAL EXPENSES	<u>389,966</u>	<u>0</u>	<u>389,966</u>
CHANGE IN NET ASSETS	89,396	(342)	89,054
NET ASSETS - BEGINNING	<u>154,811</u>	<u>1,000</u>	<u>155,811</u>
NET ASSETS - ENDING	<u>\$244,207</u>	<u>\$658</u>	<u>\$244,865</u>

See accompanying notes and independent accountants' review report.

COURT APPOINTED SPECIAL ADVOCATES
OF MESA COUNTY

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total</u>
	<u>Child Advocacy</u>	<u>Management & General</u>	<u>Fund-Raising</u>	
Compensation and Related Expenses				
Compensation	\$220,153	\$13,801	\$13,942	\$247,896
Payroll taxes	16,857	893	1,067	18,817
Employee Benefits	11,376	300	0	11,676
Total Compensation and Related Expenses	248,386	14,994	15,009	278,389
Advertising & Marketing	15,958	548	4,113	20,619
Credit Card Fees	615	98	106	819
Depreciation	0	138	0	138
Dues, Fees, Subscriptions	8,337	348	1,445	10,130
Home Studies	10,008	0	800	10,808
Insurance	4,340	404	303	5,047
Office Expenses	6,218	896	1,608	8,722
Other Operating Expenses	1,355	3,708	2,352	7,415
Professional Fees	774	3,922	54	4,750
Rent	16,701	1,553	1,165	19,419
Service Dog Expenses	342	0	0	342
Staff Development	3,498	558	285	4,341
Utilities	3,250	480	478	4,208
Travel	6,743	29	32	6,804
Volunteer Expenses	8,015	0	0	8,015
TOTAL EXPENSES	\$334,540	\$27,676	\$27,750	\$389,966

See accompanying notes and independent accountants' review report.

COURT APPOINTED SPECIAL ADVOCATES
OF MESA COUNTY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase (Decrease) in Net Assets	\$89,054
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by:	
Operating Activities:	
Depreciation	138
(Increase) Decrease in Operating Assets:	
Grants Receivable	(59,245)
Increase (Decrease) in Operating Liabilities:	
Accrued Payroll	4,153
Agency Transactions Payable	(9,978)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>24,122</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	24,122
BEGINNING CASH AND CASH EQUIVALENTS	<u>152,388</u>
ENDING CASH AND CASH EQUIVALENTS	<u>\$176,510</u>

See accompanying notes and independent accountants' review report.

COURT APPOINTED SPECIAL ADVOCATES
OF MESA COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE A – NATURE OF ACTIVITIES

Description of the Organization:

Court Appointed Special Advocates of Mesa County (CASA) was organized in 1997 as a Colorado non-profit corporation. CASA's mission is to promote advocacy for abused and neglected children, and provide trained volunteers who monitor and represent abused and neglected children in the legal system. On average, 275-350 child abuse victims are served every year.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES

Basis of Presentation

The financial statements of CASA have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require CASA to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of CASA's management and board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of CASA's or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Measure of Operations – The statements of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to CASA's child advocacy program. Non-operating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

COURT APPOINTED SPECIAL ADVOCATES
OF MESA COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES
- CONTINUED

Cash and Cash Equivalents

Cash and cash equivalents are considered to be all unrestricted highly liquid investments with an initial maturity of three months or less.

Grants Receivable

Grants receivable represent amounts to be received on grants where CASA has fulfilled certain grant requirements and have billed or are expecting certain amounts to be received based on the grant agreement. Based on historic trends, an allowance for doubtful accounts was not required.

Inventory

Inventory is stated at cost using the first-in first-out method. Inventory consists of small gifts and supplies.

Property and Equipment

The Organization follows the practice of capitalizing all expenditures for land, buildings, and equipment of \$2,500 or more. The fair value of donated assets is similarly capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of 5-10 years for furniture, fixtures, and equipment.

Contributed Services and In-Kind Contributions

Contributions of services are recognized at the fair value of the services received if the services (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

Advertising Costs

CASA uses advertising to provide awareness, recruit volunteers, and solicit donations. Advertising costs are expensed as incurred. Advertising costs for the years ended December 31, 2019 were \$20,619.

Income Taxes

The Organization is exempt from Federal and State income taxes under the provisions of Internal Revenue Code Section 501 (c) (3).

Estimates

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

COURT APPOINTED SPECIAL ADVOCATES
OF MESA COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES
- CONTINUED

Functional Expense

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among child advocacy and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

Expense	Method of Allocation
Advertising & Marketing	Direct Costs
Compensation and Related Expenses	Time and effort
Dues, Fees, Subscriptions	Direct Costs
Home Studies	Direct Costs
Insurance	Direct Costs
Office Expenses	Direct Costs
Other Operating Expenses	Direct Costs
Professional Fees	Direct Costs
Rent	Time and effort
Staff Development	Time and effort
Travel	Direct Costs
Utilities	Time and Effort

Subsequent Events

Management has evaluated subsequent events through May 30, 2020, the date the financial statements were available to be issued.

Beginning around March 2020, the COVID-19 virus was declared a global pandemic. Business continuity, including supply chains and consumer demand across a broad range of industries and countries could be severely impacted for months or beyond as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. Management is carefully monitoring the situation and evaluating its options. At May 30, 2020 budgetary expectations have not changed for 2020. The extent to which the coronavirus pandemic may impact the operating results, financial condition, and cash flows will depend on future developments, which are highly uncertain and cannot be predicted at this time. No adjustments have been made to these financial statements as a result of this uncertainty.

COURT APPOINTED SPECIAL ADVOCATES
OF MESA COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE C – IN-KIND DONATIONS

CASA received donated professional services, other advertising services, and supplies for the year ended December 31, 2019, of \$22,572. Such amounts, which are based upon information provided by third-party service providers, are recorded at their estimated fair value determined on the date of contribution and are reported as contributions on the accompanying statements of activities and the corresponding expense is reported on the statement of functional expenses.

Several volunteers have made significant contributions of their time in furtherance of CASA's mission. These services were not reflected in the accompanying statements of activities because they do not meet the necessary criteria or recognition under US GAAP.

NOTE D – CONCENTRATIONS

Amounts in excess of \$250,000 in one bank account are not insured by the FDIC or related entity. At various times during the year, CASA may maintain significant amounts of cash in a checking account with a bank. Such concentrations of cash may exceed the federally insured limits provided on such accounts. Management is aware of such exposure and is willing to accept the risks associated with the potential losses involved.

NOTE E – NONCOMPLIANCE WITH GRANTOR RESTRICTIONS

In the normal course of operations, CASA receives financial awards from outside entities in the form of grants. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement, which may arise as a result of an audit by the granting agencies, is not believed to be material.

NOTE F – NET ASSETS

Net assets with donor restrictions were as follows for the years ended:

	2019
Specific Purpose	
Service Dog Expenses	\$ 658
Total	\$ 658

Net assets released from net assets with donor restrictions are as follows for the years ended:

Satisfaction of Purpose Restrictions	
Employee Salaries	\$ 183,616
Training Expenses	1,857
Service Dog Expenses	342
Total	\$ 185,815

COURT APPOINTED SPECIAL ADVOCATES
OF MESA COUNTY
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2019

NOTE G – OPERATING LEASE

The Company leases office space under an operating lease expiring August 31, 2022. Monthly payments on the lease were \$1,671 for the year ended December 31, 2019, with payments escalating each year. Rent expense for the year ended December 31, 2019, was \$19,419.

Future minimum lease payments are as follows:

	<u>Annual Rent</u>
2020	\$ 20,251
2021	20,859
2022	<u>14,181</u>
	<u>\$ 55,291</u>

NOTE H – AVAILABILITY AND LIQUIDITY

The following represents CASA's financial assets at December 31, 2019:

Financial assets at year-end:	<u>2019</u>
Cash and cash equivalents	\$ 176,510
Grant Receivable	83,446
Inventory	<u>1,041</u>
Total	<u>\$ 260,997</u>

Less amounts not available to be used within one year:

Net assets with donor restrictions	\$ 658
Less net assets with purpose restrictions to be met in less than a year	<u>(658)</u>
	<u>\$ 0</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 260,997</u>

CASA's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$97,492). As part of its liquidity plan, excess cash is accumulated in its bank accounts.