

CHESTERFIELD CASA, INC.

**Financial Statements
for the year ended
June 30, 2016
(with comparative financial information for
the year ended June 30, 2015)**

CHESTERFIELD CASA, INC.

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Frank Barcalow CPA, P.L.L.C.
Certified Public Accountant

Independent Auditor's Report

The Board of Directors
Chesterfield CASA, Inc.
Richmond, Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of Chesterfield CASA, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2016 and the related statements of activities, functional expenses, 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 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 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.
Other information

Opinion

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of Chesterfield CASA, Inc. as of June 30, 2016, and changes in their net assets and their cash flows for the year ended June 30, 2016, in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Chesterfield CASA, Inc. financial statements, and our report dated August 18, 2015, expressed an unqualified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015, is consistent, in material respects, with the audited financial statements from which it has been derived.

Frank Barcalow CPA, P.L.L.C.

Frank Barcalow CPA, P.L.L.C.
Richmond, Virginia
August 18, 2016

Chesterfield CASA, Inc.

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Statement of Financial Position

June 30, 2016

(with comparative financial information for the year ended June 30, 2015)

Assets	2016	2015
Cash and cash equivalents	\$ 259,629	\$ 146,039
Certificates of deposit	233,426	365,717
Grants receivable	9,056	3,633
Prepaid expenses	1,433	1,433
Total current assets	503,544	516,822
Equipment		
Furniture and fixtures	4,469	3,869
Office equipment	6,424	6,424
Computer equipment	7,491	7,491
	18,384	17,784
Less accumulated depreciation	16,130	14,633
Total equipment	2,254	3,151
Other assets		
Deposits	1,675	1,675
Total assets	\$ 507,473	\$ 521,648
Liabilities and net assets		
Liabilities		
Accounts payable	\$ 1,225	\$ 1,098
Accrued liabilities	15,350	15,764
Deferred revenue	20,350	22,736
Total liabilities	36,925	39,598
Net assets		
Unrestricted net assets	470,548	482,050
Total net assets	470,548	482,050
Total liabilities and net assets	\$ 507,473	\$ 521,648

See notes to the financial statements.

Chesterfield CASA, Inc.

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Statement of Activities

For the Year Ended June 30, 2016

(with comparative financial information for the year ended June 30, 2015)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 2016</u>	<u>Total 2015</u>
Public support and revenue				
Government grants	\$ 91,125	\$ -	\$ 91,125	\$ 95,847
Other grants	-	118,350	118,350	112,439
Contributions	38,593	-	38,593	57,214
Special event revenue	30,321	-	30,321	22,163
Interest income	142	-	142	260
	<u>160,181</u>	<u>118,350</u>	<u>278,531</u>	<u>287,923</u>
Total public support and revenue				
	<u>160,181</u>	<u>118,350</u>	<u>278,531</u>	<u>287,923</u>
Net assets released from restrictions	<u>118,350</u>	<u>(118,350)</u>	<u>-</u>	<u>-</u>
	<u>118,350</u>	<u>(118,350)</u>	<u>-</u>	<u>-</u>
Total public support and revenue	<u>278,531</u>	<u>-</u>	<u>278,531</u>	<u>287,923</u>
	<u>278,531</u>	<u>-</u>	<u>278,531</u>	<u>287,923</u>
Expenditures				
Program services	235,538	-	235,538	233,141
Supporting services				
General and administrative	28,846	-	28,846	29,160
Fundraising	25,649	-	25,649	25,700
Total Supporting services	<u>54,495</u>	<u>-</u>	<u>54,495</u>	<u>54,860</u>
	<u>290,033</u>	<u>-</u>	<u>290,033</u>	<u>288,001</u>
Total expenditures				
	<u>290,033</u>	<u>-</u>	<u>290,033</u>	<u>288,001</u>
Change in net assets	(11,502)	-	(11,502)	(78)
	(11,502)	-	(11,502)	(78)
Net assets at beginning of year	<u>482,050</u>	<u>-</u>	<u>482,050</u>	<u>482,128</u>
	<u>482,050</u>	<u>-</u>	<u>482,050</u>	<u>482,128</u>
Net assets at end of year	<u>\$ 470,548</u>	<u>\$ -</u>	<u>\$ 470,548</u>	<u>\$ 482,050</u>
	<u>\$ 470,548</u>	<u>\$ -</u>	<u>\$ 470,548</u>	<u>\$ 482,050</u>

See notes to the financial statements.

Chesterfield CASA, Inc.

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Statement of Functional Expenses

For the Year Ended June 30, 2016

(with comparative financial information for the year ended June 30, 2015)

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>2016 Total</u>	<u>2015 Total</u>
Salaries	\$ 177,509	\$ 19,256	\$ 19,256	\$ 216,021	209,960
Payroll taxes	13,713	1,473	1,473	16,659	16,183
Total salaries and benefits	<u>191,222</u>	<u>20,729</u>	<u>20,729</u>	<u>232,680</u>	<u>226,143</u>
Communications	3,594	394	394	4,382	4,328
Conferences	50	-	-	50	286
Dues	250	-	-	250	200
Licenses and Taxes	-	328	-	328	297
Maintenance of equipment	-	370	-	370	394
Office expenses	3,227	351	352	3,930	6,400
Postage	733	79	78	891	1,255
Printing	692	75	75	842	393
Professional fees	-	4,495	-	4,495	5,286
Special events	-	-	1,783	1,783	2,380
Travel	5,901	172	370	6,443	6,042
Volunteer recognition	1,011	-	-	1,011	843
Volunteer training supplies	1,210	-	-	1,210	2,325
Insurance	1,335	59	73	1,467	1,325
Rent	24,996	1,704	1,704	28,404	28,784
Depreciation	1,317	90	90	1,497	1,320
Total expenses	<u>\$ 235,538</u>	<u>\$ 28,846</u>	<u>\$ 25,649</u>	<u>\$ 290,033</u>	<u>288,001</u>

See notes to the financial statements.

Chesterfield CASA, Inc.

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Statement of Cash Flows

For the Year Ended June 30, 2016

(with comparative financial information for the year ended June 30, 2015)

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities		
Change in net assets	\$ (11,502)	\$ (78)
Adjustments to reconcile change in net assets to net cash(used in) provided by operating activities:		
Depreciation	1,497	1,320
Changes in operating assets and liabilities:		
(Increase) decrease in grant and other receivables	(5,423)	(374)
(Increase) decrease in prepaid expenses	-	(108)
Increase (decrease) in accounts payable and accrued expenses	(287)	(2,677)
Increase (decrease) in deferred revenue	(2,386)	17,736
Net cash (used in) provided by operating activities	<u>(18,101)</u>	<u>15,819</u>
Net cash used in investing activities		
(Increase) decrease in certificates of deposits	132,291	(260)
Additions to equipment	(600)	(1,667)
Net cash (used in) provided by operating activities	<u>131,691</u>	<u>(1,927)</u>
Net increase (decrease) in cash and cash equivalents	113,590	13,892
Cash and cash equivalents at beginning of year	<u>146,039</u>	<u>132,147</u>
Cash and cash equivalents at end of year	<u>\$ 259,629</u>	<u>\$ 146,039</u>

See notes to the financial statements.

Notes to Financial Statements June 30, 2016

Note 1 – Nature of organization

The Chesterfield CASA, Inc. (Organization), was established in July 1996 as a non-profit organization to provide court appointed volunteers to act as advocates for child victims residing in Chesterfield County and Colonial Heights who are the subject of judicial proceedings. The Organization's mission is to promote safe, permanent homes for abused and neglected children by providing trained volunteers to advocate for them throughout their involvement in the juvenile court process. The Organization derives partial support from state and local government agencies in the form of legislative appropriations and grants. Private sector grants, contributions, and special events provide the balance of operating funds.

Note 2 - Summary of significant accounting policies

Method of Accounting

The financial statements of Chesterfield CASA, Inc., have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board. The Organization 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. These classifications are based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations, and are available at the discretion of the Board for use in the Organization's operations.

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

Permanently restricted net assets - net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization, and only the income is available as unrestricted or temporarily restricted, as per endowment or donor agreements. Currently the Organization does not have any permanently restricted net assets.

Estimates

The preparation of financial statements in conformity with U.S. 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.

Reclassifications

Certain prior year balances may have been reclassified to conform to current year presentation.

Cash equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments with original maturities of three months or less when purchased to be cash equivalents.

**Notes to Financial Statements
June 30, 2016****Note 2 - Summary of significant accounting policies (concluded)*****Certificates of Deposit***

Certificates of deposit are valued at cost, plus accrued interest which approximates fair market value.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Donated contributions are recorded at the fair value on the date of the gift. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a 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.

Grant support

The Corporation may receive assistance in the form of operating grants from governmental and non-governmental sources. Grant revenues are recorded when earned or may be deferred. Revenues are accrued when conditions for funding have been met and funding is reasonably assured.

Donated services and other

The Organization recognizes donated services, supplies, assets, and other items in accordance with FASB Accounting Standards Codification 958-605-50-1 Accounting for Contributions Received and Contributions Made. All in-kind contributions are recorded when received at fair value as income and expenses or capitalized as property or equipment. The Organization does not imply time restrictions for gifts of long-lived assets. As a result, in the absence of donor-imposed restrictions, gifts of long-lived assets are reported as unrestricted revenue. The Organization pays for most services requiring specific expertise. However, many individuals interested in the Organization's programs volunteer their time. For 2016, volunteers donated approximately 5,800 hours.

Income taxes

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the internal Revenue Code respectively, and is not considered a private Organization within the meaning of section 509(a) of the code. In addition, Chesterfield CASA, Inc., qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private Organization. The Organization has determined that it does not have any material unrecognized tax benefits or obligations as of June 30, 2016. Fiscal years ending on or after June 30, 2013 remain subject to examination by federal and state tax authorities.

Property and equipment

Property and equipment is carried at cost and depreciated under the straight-line method over the estimated useful lives of the assets, ranging from five to seven years. The Organization capitalizes equipment purchased with a cost exceeding \$500. Any expenditures under \$500 are expensed as incurred.

Functional expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefitted.

**Notes to Financial Statements
June 30, 2016**

Note 3 - Commitments

Chesterfield CASA, Inc., entered into a three-year lease agreement for office space on May 1, 2015. The lease ends on August 31, 2018. Lease expense totaled \$28,404 for the year ended June 30, 2016. Future lease minimum payments for the remaining years under the lease are as follows:

2017	\$ 28 404
2018	28 404
2019	<u>4 734</u>
Total	<u>\$ 61 542</u>

Note 4 – Concentration of credit risk

Financial instruments that potentially subject the Organization to concentration of credit risk consist principally of cash and cash equivalents. Cash and cash equivalents are maintained in a financial institutions and are insured by the Federal Deposit Insurance Corporation up to \$250,000. Cash balances exceed insured amounts from time to time, but management believe the risk is minimal.

Note 5 - Certificates of deposit

Investments in certificates of deposits are reported at their fair value plus accrued interest, which approximates cost. The certificates of deposit are as follows for the year ended June 30, 2016:

	<u>2016</u>	<u>2015</u>
Certificate of deposit, matures May 2017, interest .04%	\$ 233 426	\$ -
Certificate of deposit, matures November 2015, interest .05%	-	233 323
Certificate of deposit, matures September 2015, interest .12%	<u>-</u>	<u>132 394</u>
	<u>\$ 233 426</u>	<u>\$ 365 717</u>

Note 6 - Temporarily restricted net assets

Grants and contributions from foundations, corporations, and other private funders amounted to \$118,350 as temporarily restricted and released as of June 30, 2016.

Note 7 - Subsequent events

In preparing these financial statements, the Organizations has evaluated events and transactions for potential recognition or disclosure through August 18, 2016, the date the financial statements were issued.

**Notes to Financial Statements
June 30, 2016**

Note 8 - Fair value measurements

The Organization records fair value adjustments to certain assets and liabilities to determine fair value disclosures. The fair value of certain assets and liabilities is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants.

Three levels of the fair value hierarchy are as follows:

Level 1 - Valuation is based on quoted price in active markets for identical assets and liabilities.

Level 2 - Valuation is based on observable inputs including quoted prices in active markets for similar assets and liabilities, quoted prices for identical or similar assets and liabilities in less active markets, and model-based valuation techniques for which significant assumptions can be derived primarily from or corroborated by observable data in the market.

Level 3 - Valuation is based on model-based techniques that use one or more significant inputs or assumptions that are unobservable in the market.

All investments and liabilities were measured at fair value by level one valuation, because they generally provide the most reliable evidence of fair value