



**CASA**

**Court Appointed Special Advocates  
For Children**

**Financial Statements**

**June 30, 2019 and 2018**



***Clothier & Company CPA's P.C.***

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Court Appointed Special Advocate for Children, Inc.  
Muskogee, Oklahoma

We have audited the accompanying financial statements of Court Appointed Special Advocate for Children, Inc. (CASA) (a nonprofit organization), which comprise the Statement of Assets, Liabilities, and Net Assets-Modified Cash Basis as of June 30, 2019 and 2018, and the related Statement of Public Support, Revenues, Expenses, and Changes In Net Assets- Modified Cash Basis, Statement of Functional Expenses- Modified Cash Basis, and Statement of Cash Flows- Modified Cash Basis, for the years 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 the modified cash basis of accounting as described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Statement of Assets, Liabilities, and Net Assets- Modified Cash Basis of CASA as of June 30, 2019 and 2018, and the related Statement of Public Support, Revenues, Expenses, and Changes In Net Assets- Modified Cash Basis, Statement of Functional Expenses- Modified Cash Basis, and Statement of Cash Flows- Modified Cash Basis for the years then ended in accordance with the modified cash basis of accounting as described in note 1.

## Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

## Other Reporting Required by *Government Auditing Standards*

In Accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2020, on our consideration of CASA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CASA's internal control over financial reporting and compliance.



Clothier & Company CPA's PC  
February 5, 2020

# COURT APPOINTED SPECIAL ADVOCATE FOR CHILDREN, INC.

Statement of Assets, Liabilities, and Net Assets- Modified Cash Basis

June 30, 2019 and 2018

ASSETS	2019			2018
	Unrestricted	Restricted	Total	Total
<b>Current Assets</b>				
Cash on hand and in banks	\$73,910	\$0	\$73,910	\$45,211
Money-market cash	0	0	0	0
Certificates of deposit	27,327	0	27,327	26,979
<b>Total current assets</b>	101,237	0	101,237	72,190
<b>Fixed Assets</b>				
Fixed assets, net of depreciation	3,622	0	3,622	6,471
<b>Other Assets</b>				
Investments, at market	95,979	100,685	196,664	191,572
<b>Total Assets</b>	<u>\$200,838</u>	<u>\$100,685</u>	<u>\$301,523</u>	<u>\$270,233</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>Current Liabilities</b>				
Payroll tax liabilities	\$2,545	\$0	\$2,545	\$2,543
<b>Total current liabilities</b>	2,545	0	2,545	2,543
<b>Net Assets</b>	198,293	100,685	298,978	267,690
<b>Total Liabilities and Net Assets</b>	<u>\$200,838</u>	<u>\$100,685</u>	<u>\$301,523</u>	<u>\$270,233</u>

See accompanying notes and independent auditors' report.

# COURT APPOINTED SPECIAL ADVOCATE FOR CHILDREN, INC.

## Statement of Public Support, Revenues, Expenses and Changes in Net Assets- Modified Cash Basis June 30, 2019 and 2018

	2019			2018
	Unrestricted	Restricted	Total	Total
<b>PUBLIC SUPPORT AND REVENUE</b>				
<b>Public Support</b>				
Grants	\$387,399	\$0	\$387,399	\$361,630
Proceeds of fund raising events	7,060	0	7,060	25,406
Cash contributions				
Lake Area United Way, Inc.	19,497	0	19,497	26,000
Other direct cash contributions	22,265	0	22,265	7,639
In-kind contributions	32,406	0	32,406	49,251
<b>Total public support</b>	<u>468,627</u>	<u>0</u>	<u>468,627</u>	<u>469,926</u>
<b>Revenue</b>				
Investment income (loss)	2,459	2,079	4,538	2,157
Unrealized investment gains (losses)	1,473	1,469	2,942	10,159
Realized investment gains (losses)	3,241	1,857	5,098	2,995
Investment distributions	0	0	0	0
<b>Total revenue</b>	<u>7,173</u>	<u>5,405</u>	<u>12,578</u>	<u>15,311</u>
Net assets released from restriction	0	0	0	0
<b>Total Public Support and Revenue</b>	<u>\$475,800</u>	<u>\$5,405</u>	<u>\$481,205</u>	<u>\$485,237</u>
<b>EXPENSES</b>				
<b>Program Services</b>				
Special advocate program	\$340,537	\$0	\$340,537	\$355,370
<b>Supporting Services</b>				
Management and general	91,856	0	91,856	103,203
Fund raising	17,524	0	17,524	34,093
<b>Total supporting services</b>	<u>109,380</u>	<u>0</u>	<u>109,380</u>	<u>137,296</u>
<b>Total expenses</b>	<u>449,917</u>	<u>0</u>	<u>449,917</u>	<u>492,666</u>
Excess of public support and revenues over expen	25,883	5,405	31,288	(7,428)
Transfers	0	0	0	0
<b>Change in Net Assets</b>	<u>25,883</u>	<u>5,405</u>	<u>31,288</u>	<u>(7,428)</u>
<b>Net Assets - Beginning of Year</b>	<u>172,410</u>	<u>95,280</u>	<u>267,690</u>	<u>275,118</u>
<b>Net Assets - End of Year</b>	<u>\$198,293</u>	<u>\$100,685</u>	<u>\$298,978</u>	<u>\$267,690</u>

See accompanying notes and independent auditors' report.



# COURT APPOINTED SPECIAL ADVOCATE FOR CHILDREN, INC.

## Statement of Functional Expenses- Modified Cash Basis

June 30, 2019 and 2018

	2019			2018
	<b>Program Services</b>	<b>Supporting services</b>		
	Special Advocate Program	Management and General	Fund Raising	Total Expenses
<b>Personnel</b>				
Salaries and employee benefits	\$216,432	\$57,719	\$14,431	\$288,582
Payroll taxes and insurance	14,800	3,947	987	19,734
<b>Total personnel expenses</b>	<u>231,232</u>	<u>61,666</u>	<u>15,418</u>	<u>308,316</u>
<b>Occupancy</b>				
Facility rent	12,150	3,240	810	16,200
Insurance	5,638	1,503	376	7,517
<b>Total occupancy</b>	<u>17,788</u>	<u>4,743</u>	<u>1,186</u>	<u>23,717</u>
<b>Other operating expenses</b>				
Advertising	1,967	0	0	1,967
Professional fees	0	6,486	0	6,486
Education/abuse prevention	0	0	0	0
Depreciation and amortization	1,652	1,197	0	2,849
Office supplies	10,969	2,057	686	13,712
Telephone	2,983	559	186	3,728
Printing	218	41	14	273
Dues, fees and subscriptions	0	9,588	0	9,588
Postage	543	102	34	679
Equipment	3,829	957	0	4,786
Training	3,105	163	0	3,268
Travel expenses	15,263	1,696	0	16,959
Volunteer recruitment and recognition	18,582	0	0	18,582
In-kind expenses	32,406	0	0	32,406
Miscellaneous and other	0	693	0	693
Investment fees	0	1,908		
<b>Total other operating expenses</b>	<u>91,517</u>	<u>25,447</u>	<u>920</u>	<u>117,884</u>
<b>Total Expenses</b>	<u>\$340,537</u>	<u>\$91,856</u>	<u>\$17,524</u>	<u>\$449,917</u>
				<u>\$492,666</u>

See accompanying notes and independent auditors' report.



# COURT APPOINTED SPECIAL ADVOCATE FOR CHILDREN, INC.

## Statement of Cash Flows- Modified Cash Basis

June 30, 2019 and 2018

	<b>2019</b>			<b>2018</b>
	<b>Permanently</b>			
	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Increase (decrease) in net assets	\$25,883	\$5,405	\$31,288	(\$7,428)
Adjustments necessary to reconcile increase in net assets to cash provided by operating activity				
Depreciation and Amortization	2,849	0	2,849	6,457
Increase (decrease) in:				
Payroll tax liabilities	0	0	0	2
Internal ( receivable) payable	0	0	0	0
<b>Cash provided (used) by operating activities</b>	<u>28,732</u>	<u>5,405</u>	<u>34,137</u>	<u>(969)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Net (additions to) withdrawals from certificates of deposit and investments	315	(5,405)	(5,090)	(8,227)
Acquisition of property and equipment	0	0	0	(496)
<b>Cash provided (used) by investing activities</b>	<u>315</u>	<u>(5,405)</u>	<u>(5,090)</u>	<u>(8,723)</u>
<b>INCREASE (DECREASE) IN CASH BALANCE</b>	29,047	0	29,047	(9,692)
<b>CASH BALANCES - BEGINNING OF YEAR</b>	72,190	0	72,190	81,882
<b>CASH BALANCES - END OF YEAR</b>	<u>\$101,237</u>	<u>\$0</u>	<u>\$101,237</u>	<u>\$72,190</u>
<b>COMPOSITION OF CASH BALANCES</b>				
Cash on hand and in banks	\$101,237	\$0	\$101,237	\$72,190
Money - market cash	0	0	0	0
	<u>\$101,237</u>	<u>\$0</u>	<u>\$101,237</u>	<u>\$72,190</u>
<b>SUPPLEMENTAL INFORMATION</b>				
Cash paid during the year for interest	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Cash paid during the year for income taxes	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

See accompanying notes and independent auditors' report.

## **COURT APPOINTED SPECIAL ADVOCATE FOR CHILDREN, INC.**

### **NOTES TO THE FINANCIAL STATEMENTS**

June 30, 2019 and 2018

#### **NOTE 1 – NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### ***Nature of the organization***

Court Appointed Special Advocate for Children, Inc. (CASA) is a not-for-profit organization originally incorporated under the laws of the State of Oklahoma in 1996. Prior to amending its Oklahoma Articles of Incorporation in June 2002, the organization's legal name was Court Appointed Special Advocate of Muskogee County, Inc. The name change was made in order to more accurately reflect the purpose and goals of the organization.

CASA was originally formed by a group of local civic-minded individuals who were concerned by the significant numbers of abused and neglected children in Northeastern Oklahoma in need of safe, permanent, nurturing homes. CASA's primary goals are to train community volunteers to serve as advocates for these children and, through multidisciplinary collaborative efforts with other community agencies, ensure the child's right to safety and permanence in a family.

In order to better serve the needs of abused and neglected children, in late 2006 CASA opened a satellite office in Wagoner, Oklahoma. The office is staffed by a part-time case manager. During FY 2014 CASA opened a satellite office in Sequoyah County.

##### ***Basis of accounting***

CASA prepares its financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Consequently, revenues are generally recognized when received and expenses when paid. Under generally accepted accounting principles, revenues are generally recognized when earned and expenses when incurred.

##### ***Significant accounting policies***

The following summarizes the more significant accounting policies employed by CASA:

##### ***Financial statement presentation***

CASA prepares its financial statements in accordance with FASB ASC 958 *Not-for-profit Entities - Presentation of Financial Statements*. Under FASB ASC 958, CASA is required to report information regarding its modified cash basis assets, liabilities, and net assets and its modified cash basis revenues, expenses and other changes in net assets according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets, based on the existence of donor-imposed restrictions. Accordingly, net assets of CASA and changes therein are required to be classified and reported as follows:

*Unrestricted net assets* – Net assets that are not subject to donor-imposed stipulations.

*Restricted net assets*- Net assets subject to donor-imposed stipulations that may be met or maintained permanently by CASA. When a restriction expires, the amounts previously restricted are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

In addition, under the provisions of FASB ASC 230, CASA is required to present a statement of cash flows.

#### *Contribution revenues*

CASA reports contribution revenues as received. All contributions are available for unrestricted use unless specifically restricted by the donor. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Prior to 2006, CASA had received no contributions that resulted in permanently restricted net assets. As described in Note 3, below, matching funds from a local charitable foundation together with funds raised by CASA were used to establish the Patricia A. Acebo Permanent Endowment Fund. Since its inception, the Patricia A. Acebo Permanent Endowment Fund has continued to receive donations from external donors.

#### *In-kind contributions*

Non cash contributions of goods and services are recognized at fair value if the services received (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. The value of community volunteer advocate time contributions, while computed and accounted for by CASA management for grant matching purposes is, accordingly, not reflected in the accompanying financial statements. While integral to the accomplishment of CASA's primary goals, significant contributions of time by local civic-minded individuals, especially by the membership of CASA's Board of Directors, are likewise not recognized in the accompanying financial statements.

#### *Cash and equivalents*

For the purpose of the statement of cash flows, CASA considers all unrestricted cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

#### *Endowments*

As more fully discussed in Note 3, in November 2007, CASA transferred substantially all of the assets of the Patricia A. Acebo Permanent Endowment Fund to external, publically supported, tax-exempt foundation, naming itself, CASA, as beneficiary. In accordance with the provisions of Statement of Financial Accounting Standards No. 136, *Transfers of Assets to a Not-for-profit Organization or Charitable Trust That Raises or Holds Contributions for Others (SFAS 136)*, and because CASA transferred the assets and named itself as the sole beneficiary, the Endowments have been recognized as assets on CASA's Statement of Assets, Liabilities, and Net Assets – Modified Cash Basis.

CASA's beneficial interest in endowment funds received directly by the external foundations from third parties are recorded as assets of CASA only when the external foundations have not retained variance power with respect to such funds.

#### *Investments*

Investments in debt and equity securities are initially recorded at cost, if purchased, or fair market value at the date of donation, if donated. Thereafter, the carrying values of the securities are adjusted to fair value through recognition of unrealized gains and losses in the statement of public support and revenues, expenses and other changes in net assets.

#### *Furniture, fixtures and equipment*

Furniture, fixtures and equipment are recorded at cost (if purchased) or fair value at the date of contribution (if contributed). Expenditures and contributions for improvements and betterments are capitalized whereas maintenance and repairs are charged to expense as incurred. Depreciation of furniture, fixtures and equipment is provided on an accelerated basis over estimated useful lives of three to seven years.

#### *Functional allocation of expenses*

The cost of providing CASA's programs and supporting services have been summarized on a functional basis in the statement of revenues, expenses and other changes in net assets and reported by function in the accompanying statement of functional expenses. Costs directly attributable to a program or activity are charged accordingly whereas expenses that benefit more than one program or activity are allocated on an appropriate basis.

#### *Income tax status*

CASA is generally exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal or state income taxes has been made in the accompanying financial statements.

The Organization's Form 990, *Return of Organization Exempt from Income Tax*, for years ending 2017, 2018, and 2019 are subject to examination by the IRS, generally for three years after they were filed.

As an organization classified by the Internal Revenue Service as one that is not a private foundation, CASA qualifies as an organization to which donors may make income tax deductible contributions and to which bequests, legacies, devises, transfers, or gifts are generally deductible for federal gift and estate tax purposes.

#### *Estimates*

The preparation of financial statements on a modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### **NOTE 2 – CASH AND EQUIVALENTS AND CERTIFICATE OF DEPOSIT**

Cash balances at June 30, 2019 and 2018 were held in a non-interest bearing checking account at a local financial institution. These balances as well as all certificates of deposit, were protected from loss by the Federal Depository Insurance Corporation (FDIC).

### **NOTE 3 – ENDOWMENT FUND INVESTMENTS AND INVESTMENT INCOME**

In September 2005, the Kirschner Foundation of Muskogee, Oklahoma awarded CASA a \$10,000 matching grant for the purpose of establishing the Patricia A. Acebo Permanent Endowment Fund (the "Endowment Fund"). As provided in the original grant award, CASA was required to obtain through its own fundraising efforts amounts that at least equaled the initial conditional \$10,000 grant award. CASA satisfied the donor's matching funds requirement in August 2007 and was awarded the Kirschner Foundation grant on August 28, 2007.

In November 2007, CASA's Board of Directors elected to create externally managed endowments through transfer of substantially all of the assets of the Endowment Fund to two external, publically supported, tax-exempt organizations: Communities Foundation of Oklahoma (CFO) and Tulsa Community Foundation (TCF). Agency Endowment Fund Agreements (the Agreements) were executed in late November 2007 and were funded by initial asset transfers of \$10,852 to each of the organizations.

The Agreements provide that the monies contributed by CASA are to be considered as component parts of the individual Foundations and are to be invested as part of the Foundations' pooled investment funds. Return to CASA of amounts contributed by CASA for its own benefit (Agency Accounts) may be made only after an affirmative vote of 2/3 of CASA's Board of Directors and then, only after obtaining the approval of the Foundations' Board of Directors.

In fiscal years 2010 and 2009, Communities Foundation of Oklahoma received third-party matching fund grants of \$3,000 and \$5,000, respectively, for the benefit of CASA. These third-party donations were placed in a CFO Beneficial Interest Account. CASA is entitled to the earnings from Beneficial Interest Account as long as it continues its Agency Account participation with CFO. Since CFO has retained variance power with respect to such funds, the Beneficial Interest Account, together with its investment activity, are not reported in CASA's financial statements. Amounts directly contributed by third-parties to CFO are not refundable to CASA under any circumstances.

In October 2012 the CASA Board of Directors approved the transfer of \$40,000 from a matured Certificate of Deposit to open a Mutual Fund account with Edwards Jones.

The following summarizes activity in the investment accounts during the year ended June 30, 2019 and 2018:

	2019				2018
	#556				
	Tulsa Community Foundation	Communities Foundation of Oklahoma	Edward Jones	Total	Total
Beginning Balance, July 1, 2018	\$17,714	\$77,566	\$96,292	\$191,572	\$183,431
Contributions	0	0	0	0	0
Transfers	0	0	0	0	0
Assets released from restriction	0	(3,773)	0	(3,773)	(3,554)
Investment income/(loss), net of fees	232	981	1,068	2,281	(66)
Gain/(Loss)	818	2,508	3,258	6,584	11,761
Ending Balance, June 30, 2019	\$18,765	\$77,282	\$100,617	\$196,664	\$191,572

Investment accounts at CFO and TCF are comprised of ownership interests in investment pools owned by the Foundations. The investment pools are principally comprised of debt and equity securities. Investments income is comprised of dividends, interest and CASA's proportionate share of dividends and interest and realized gains and losses of the pooled investment funds.

As provided in the original grant agreement and as approved by CASA's Board of Directors, the grant award, together with the matching funds provided by CASA and subsequently received contributions required by the donors to be added to the Endowment Fund, have been or will be placed in the Endowment Fund, subject to the following terms and conditions:

- Fund corpus is to remain in perpetuity and be invested by CASA's Board of Directors and/or its appointees in a prudent business manner.
- Capital gain and loss transactions are to be considered "corpus" transactions and are to revert thereto.
- During the initial five years of the Endowment Fund, all income transactions are to be retained and are to revert to corpus.
- At the end of the sixth year of the Endowment Fund, and each successive year thereafter, at the sole discretion of the Board of Directors, up to 50% of the Endowment Fund's annual income may be distributed to CASA for the purpose of paying current operating expenses. Annual income not so distributed is to revert to corpus.
- Subsequent contributions received by CASA and designated for the Endowment Fund by the donor will be subject to the same terms and conditions placed on the Endowment Fund by the original grant award.



As of June 30, 2019 the CASA for Children Endowment Fund/Muskogee (#555-Communities Foundation of Oklahoma) had a balance of \$30,160.

#### NOTE 4 – PUBLIC SUPPORT GRANTS

The following tables summarize the components of grants received as public support during the years ended June 30, 2019 and 2018:

Funding Source	Grant Contract Period	Total Grant Contract	Support received during year ending 6/30/19
City of Muskogee Foundation	2018-2019	\$ 85,000	\$ 85,000
Federal Victims of Crime Act (VOCA) through the State of Oklahoma VOCA	2018-2019	175,247	129,624
Federal Victims of Crime Act (VOCA) through the State of Oklahoma VOCA	2017-2018	168,416	54,486
Oklahoma CASA Association	2017-2018	112,750	34,357
Oklahoma CASA Association	2018-2019	119,422	81,432
Total Grants		<u>\$ 660,835</u>	384,899
	Collected in Prior Year		192,323
	Not Collected in Current Year		83,613
			<u>\$ 660,835</u>

Funding Source	Period	Grant Total	Received by 6/30/18
City of Muskogee Foundation	2017-2018	\$ 85,000	\$ 85,000
Federal Victims of Crime Act (VOCA) through the State of Oklahoma VOCA	2017-2018	168,416	115,989
Federal Victims of Crime Act (VOCA) through the State of Oklahoma VOCA	2016-2017	237,937	50,068
Oklahoma CASA Association	2017-2018	112,750	91,123
Oklahoma CASA Association	2016-2017	85,200	14,450
Grants Misc			5,000
Total Grants		<u>\$ 689,303</u>	361,630
	Collected in Prior Year		258,619
	Not Collected in Current Year		74,054
	Non-Contracted Grants		(5,000)
			<u>\$ 689,303</u>

## NOTE 5 – FUNDRAISING EVENTS

CASA's Board of Directors, management and community volunteers conduct fundraising events and activities designed not only to raise necessary operating funds, but also to increase community awareness of CASA and its efforts to combat the problems confronting Northeastern Oklahoma's abused and neglected children.

The following summarizes the fundraising events and activities for the year ended June 30, 2019 and 2018:

Event	Cash	In-kind	Costs & Expenses	2019	2018
				Net Proceeds	Net Proceeds
Muskogee	\$1,919	\$0	\$125	\$1,794	(\$1,910)
Wagoner	2,093	0	0	2,093	5,797
Exchange Club	11,250	0	0	11,250	11,465
Logo Items Sold	3,048	0	6,960	(3,912)	0
	<u>\$18,310</u>	<u>\$0</u>	<u>\$7,085</u>	<u>\$11,225</u>	<u>\$15,352</u>

## NOTE 6 – UNITED WAY PARTICIPATION

CASA has been accepted as a participating member agency in the Lake Area United Way, Inc. (United Way). As a participating member agency, CASA shares in the joint funds raised by United Way in its annual fall community fund raising effort.

As a United Way participating agency, CASA is subject to certain United Way participation conditions:

- CASA may not conduct benefits, campaigns or solicitations for financial assistance for ordinary routine purposes, or any similar campaigns for special financial purposes, within the city limits of Muskogee, Oklahoma without first obtaining the consent of the Board of Directors of United Way.
- CASA must continue to maintain responsible management, with a qualified, unpaid Board of Directors that is required to hold a meeting at least four times annually.
- CASA must cooperate with other social agencies in preventing overlapping and/or duplication of efforts and in promoting effective service and efficiencies and economies of administration.
- CASA may not undertake new programs and/or substantially increase the scope of its existing social services without first obtaining the consent of the United Way Board of Directors.
- CASA must file its annual financial statements with United Way. Such financial statements must be audited by independent Certified Public Accountants or an accountant acceptable to the Board of Directors of United Way.
- CASA must provide to United Way such other information as may be reasonably requested by United Way's Board of Directors and/or its Admissions Committee.
- CASA must abide by the rules and regulation set forth by United Way.

In recognition of the rightful privileges and autonomous nature of CASA, United Way is to function in the capacity of a fundraising agency. Its duties and responsibilities to CASA include:

- The right to make recommendations which it feels will promote improvements in the service and/or pattern of services provided to the community by CASA.
- To promote CASA as a participating agency in its relationship with the giving public.
- To distribute funds to CASA on a monthly basis, in amounts mutually agreed upon by United Way and CASA.
- To allow CASA to accept unsolicited contributions.



Member agency participation will continue from year to year and shall be binding upon both CASA and United Way. Termination may be made by either CASA or United Way by means of a timely given written notice by either party. Such notice must be presented to the other party at least three (3) months prior to the opening date of United Way's annual fall campaign. Additionally, subject to certain constraints, United Way has the retained right to expel any participating member agency at any time by vote of two-thirds of its Board of Directors.

## NOTE 7 – FAIR VALUES

Financial Instruments – The following methods and assumptions were used by the Company in estimating fair value disclosures for financial instruments:

- Cash, cash equivalents, short-term unconditional promises to give, and note payable: The carrying amounts reported in the statement of assets, liabilities, and net assets – modified cash basis approximate fair values because of the short maturities of those instruments.
- Other and endowment investments: The fair values of any investments are based on quoted market prices for those or similar investments. The estimated fair values of the Organization's financial instruments are as follows:

	2019				2018
	#556				
	Tulsa Community Foundation	Communities Foundation of Oklahoma	Edward Jones	Total	Total
Beginning Balance, July 1, 2018	\$17,714	\$77,566	\$96,292	\$191,572	\$183,431
Contributions	0	0	0	0	0
Transfers	0	0	0	0	0
Assets released from restriction	0	(3,773)	0	(3,773)	(3,554)
Investment income/(loss), net of fees	232	981	1,068	2,281	(66)
Gain/(Loss)	818	2,508	3,258	6,584	11,761
Ending Balance, June 30, 2019	\$18,765	\$77,282	\$100,617	\$196,664	\$191,572

## NOTE 8 – PROPERTY, PLANT & EQUIPMENT

	Beginning Balance	Additions/ Deletions	Accumulated Depreciation	2019 Book Balance	2018 Book Balance
Furniture/Fixtures	\$37,396	\$0	(\$33,774)	\$3,622	\$6,471
	\$37,396	\$0	(\$33,774)	\$3,622	\$6,471

Depreciation expense for the year ending June 30, 2019 was \$2,489 and for 2018 depreciation expense was \$6,457.

#### **NOTE 9 – COMMITMENTS AND CONTINGENCIES**

Grant funding sources and makers of temporarily restricted donations may, at their discretion, request reimbursement for expenses or return of funds, or both, as a result of perceived non-compliance by CASA with the terms of grants and/or restricted donations.

#### **NOTE 10 – EVALUATION OF SUBSEQUENT EVENTS**

CASA has evaluated subsequent events through the date which the financial statements were available to be issued with none found.



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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
Court Appointed Special Advocate for Children, Inc.  
Muskogee, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Court Appointed Special Advocate for Children, Inc. (CASA) (a nonprofit organization), which comprise the Statement of Assets, Liabilities, and Net Assets- Modified Cash Basis as of June 30, 2019, and 2018, and the related Statement of Public Support, Revenues, Expenses, and Changes In Net Assets- Modified Cash Basis, Statement of Functional Expenses- Modified Cash Basis, and Statement of Cash Flows- Modified Cash Basis for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 5, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered CASA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CASA's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether CASA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Clothier & Company CPA's".

Clothier & Company, CPA's, P.C.  
February 5, 2020

*Supplementary Information*

**MONARCH, Inc.**  
**Budgetary Comparison**  
**June 30, 2019**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>Revenues:</b>				
Fundraisers	\$ 28,000	\$ 28,000	\$ 7,060	\$ 20,940
Community	14,000	14,000	19,497	(5,497)
Donations	0	0	21,933	(21,933)
Grants	388,432	388,432	387,399	1,033
In-Kind contributions	0	0	32,406	(32,406)
Miscellaneous	700	700	332	368
Investment income	0	0	4,538	(4,538)
Unrealized gains(losses)	0	0	2,942	(2,942)
Realized gains(losses)	0	0	5,098	(5,098)
Total Revenue	<u>\$ \$431,132</u>	<u>\$ \$431,132</u>	<u>\$ 481,205</u>	<u>\$ (\$50,073)</u>
<b>Expenses:</b>				
<b>Program Cost Expenses:</b>				
Accounting/CPA	\$6,000	\$6,000	\$6,486	(\$486)
Adverting/Marketing	6,000	6,000	1,967	4,033
Board Meeting	1,000	1,000	0	1,000
Dues/Publications	11,000	11,000	9,588	1,412
Equipment	9,000	9,000	4,786	4,214
Fundraising	9,000	9,000	0	9,000
In-Kind	0	0	32,406	(32,406)
Insurance	5,000	5,000	1,524	3,476
Miscellaneous	0	0	2,602	(2,602)
Payroll expenses	315,030	315,030	308,316	6,714
Postage and Delivery	1,800	1,800	679	1,121
Printing	0	0	272	(272)
Professional fees	0	0	0	0
Rent	16,200	16,200	16,200	0
Training/Travel	19,000	19,000	20,227	(1,227)
Supplies	12,670	12,670	13,711	(1,041)
Telephone	5,000	5,000	3,729	1,271
Volunteer Expenses	27,000	27,000	18,582	8,418
Utilities	5,000	5,000	5,993	(993)
Depreciation	0	0	2,849	(2,849)
Total Expenses	<u>448,700</u>	<u>448,700</u>	<u>449,917</u>	<u>(1,217)</u>
Net Revenue Over (Under)				
Expenses	<u>\$ (17,568)</u>	<u>\$ (17,568)</u>	<u>\$ 31,288</u>	<u>\$ (48,856)</u>

See notes and independent auditors' report.