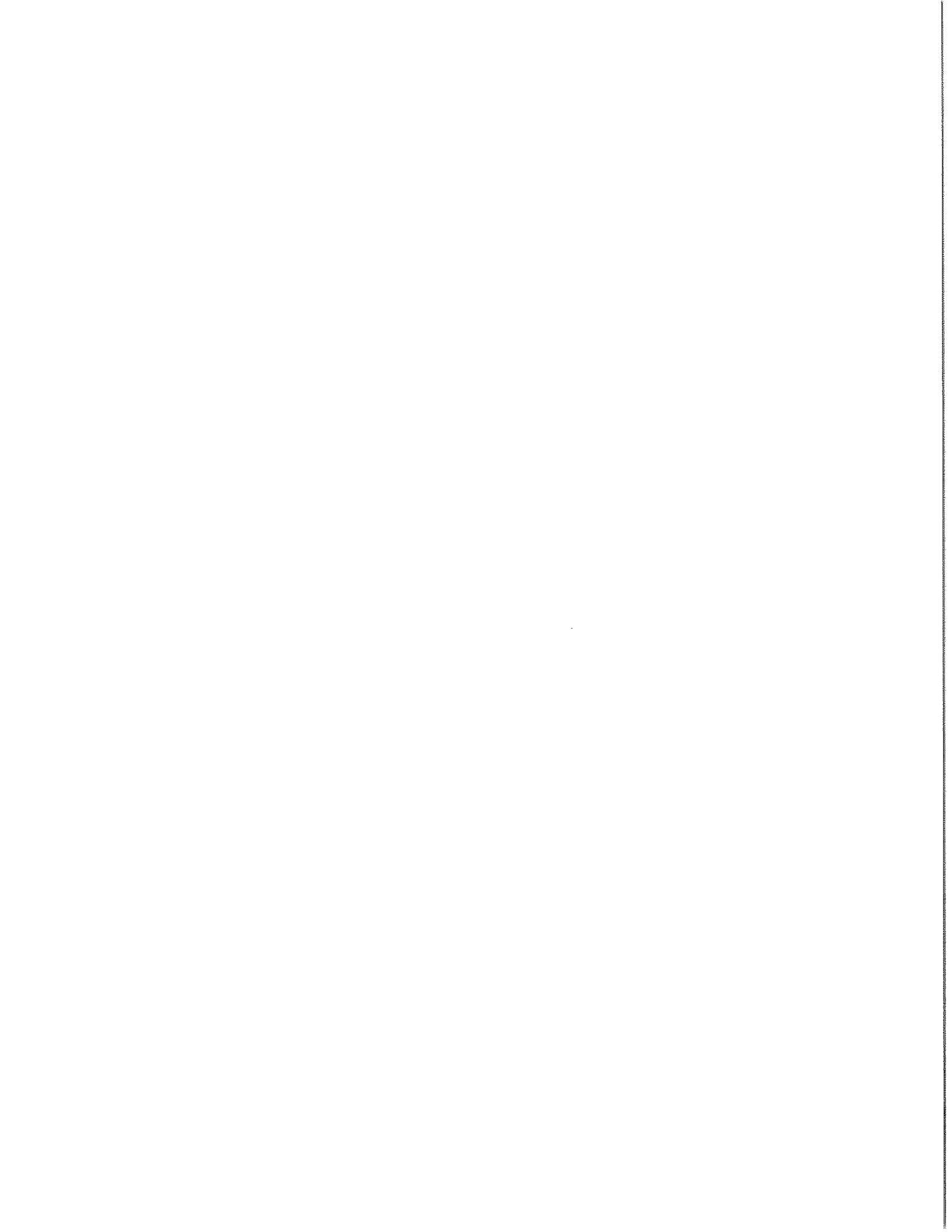


CASA for Lancaster County

**Audit of Financial
Statements**

**For the Years Ended
June 30, 2018 and 2017**

**BUCKLEY & SITZMAN, LLP
4240 Pioneer Woods Drive
Lincoln, Nebraska 68506
402-484-7676**



CASA for Lancaster County

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June 30, 2018 and 2017

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
CASA for Lancaster County
Lincoln, Nebraska

We have audited the accompanying financial statements of CASA for Lancaster County (a nonprofit organization), which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities, functional expenses, and cash flows 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 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 audits. We conducted our audits 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.

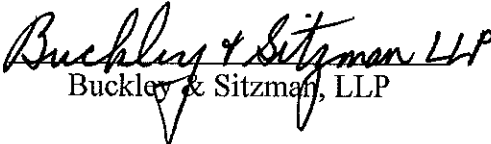
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CASA for Lancaster County as of June 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Lincoln, Nebraska
October 17, 2018


Buckley & Sitzman, LLP

**CASA for Lancaster County
Statements of Financial Position
June 30, 2018 and 2017**

ASSETS

	2018	2017
Current Assets		
Cash and cash equivalents	\$ 69,801	\$ 46,483
Investments, at market value	26,343	25,106
Promises to give	<u>97,855</u>	<u>83,245</u>
Total Current Assets	<u>193,999</u>	<u>154,834</u>
Property and Equipment	<u>-</u>	<u>385</u>
Other Assets		
Promises to give	<u>21,000</u>	<u>-</u>
Total Other Assets	<u>21,000</u>	<u>-</u>
Total Assets	<u><u>\$ 214,999</u></u>	<u><u>\$ 155,219</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payable	\$ 1,355	\$ 1,626
Accrued payroll liabilities	<u>15,628</u>	<u>13,109</u>
Total Current Liabilities	<u>16,983</u>	<u>14,735</u>
Net Assets		
Unrestricted	64,161	57,239
Temporarily restricted	<u>133,855</u>	<u>83,245</u>
Total Net Assets	<u>198,016</u>	<u>140,484</u>
Total Liabilities and Net Assets	<u><u>\$ 214,999</u></u>	<u><u>\$ 155,219</u></u>

See accompanying notes to financial statements.

CASA for Lancaster County
Statements of Activities
For the Years Ended June 30, 2018 and 2017

	2018	2017
Changes in Unrestricted Net Assets		
Revenue and Support		
Charitable donations	\$ 54,685	\$ 20,290
Fundraisers	35,953	30,493
Grants	136,724	141,641
Miscellaneous revenue	240	337
Investment income	1,886	249
	<u>229,488</u>	<u>193,010</u>
Total Revenue and Support		
Net Assets Released from Restrictions		
Nebraska CASA	-	1,300
Nebraska Crime Commission	17,648	17,577
United Way	27,797	27,119
Lancaster County	12,989	4,000
Julie Aksamit	10,000	10,000
Contributions	800	1,000
	<u>69,234</u>	<u>60,996</u>
Total Net Assets Released from Restrictions		
Total Unrestricted Revenue		
	<u>298,722</u>	<u>254,006</u>
Expenses		
Program services	240,735	222,445
Management and general	44,432	33,009
Fundraising	6,634	3,918
	<u>291,801</u>	<u>259,372</u>
Total Expenses		
Increase (Decrease) in Unrestricted Net Assets		
	<u>6,921</u>	<u>(5,366)</u>
Changes in Temporarily Restricted Net Assets		
Revenue and Support		
United Way	49,023	27,797
Lancaster County	19,500	17,000
Nebraska Crime Commission	46,322	17,648
CHE - City of Lincoln	5,000	-
Betsy Tonniges	10,000	-
Woods Charitable Fund	-	10,000
Net assets released from restrictions		
Nebraska CASA	-	(1,300)
Nebraska Crime Commission	(17,648)	(17,577)
United Way	(27,797)	(27,119)
Lancaster County	(12,989)	(4,000)
Julie Aksamit	(10,000)	(10,000)
Woods Charitable Fund	(10,000)	-
Contributions	(800)	(1,000)
	<u>50,611</u>	<u>11,449</u>
Increase in Temporarily Restricted Net Assets		
Increase in Net Assets		
	<u>\$ 57,532</u>	<u>\$ 6,083</u>
Net Assets, Beginning of Year		
	<u>140,484</u>	<u>134,401</u>
Net Assets, End of Year		
	<u>\$ 198,016</u>	<u>\$ 140,484</u>

See accompanying notes to financial statements.

CASA for Lancaster County
Statements of Functional Expenses
For the Years Ended June 30, 2018 and 2017

	2018				2017			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Fundraising expense	\$ -	\$ -	\$ 3,384	\$ 3,384	\$ -	\$ -	\$ 933	\$ 933
Insurance	4,655	1,551	-	6,206	4,771	1,590	-	6,361
Membership	-	2,589	-	2,589	-	2,387	-	2,387
National conference	-	6,027	-	6,027	-	3,585	-	3,585
Office supplies	8,660	2,886	-	11,546	5,437	1,812	-	7,249
Salaries	185,659	9,750	3,250	198,659	166,354	8,955	2,985	178,294
Payroll taxes	11,409	3,803	-	15,212	10,392	3,464	-	13,856
Professional fees	3,917	1,305	-	5,222	3,695	1,231	-	4,926
Postage	514	171	-	685	383	127	-	510
Occupancy	13,500	4,500	-	18,000	13,500	4,500	-	18,000
Utilities and telephone	2,293	764	-	3,057	2,641	880	-	3,521
Training expenses	761	-	-	761	1,384	-	-	1,384
Travel expense	1,055	352	-	1,407	1,284	428	-	1,712
Miscellaneous expense	565	6,980	-	7,545	3,821	1,274	-	5,095
Marketing and outreach	3,867	-	-	3,867	5,607	-	-	5,607
Website	-	3,657	-	3,657	-	2,689	-	2,689
Volunteer expenses	3,591	-	-	3,591	2,917	-	-	2,917
Total Expenses								-
Before Depreciation	240,446	44,336	6,634	291,416	222,186	32,923	3,918	259,027
Depreciation	289	96	-	385	259	86	-	345
Total Expenses	\$ 240,735	\$ 44,432	\$ 6,634	\$ 291,801	\$ 222,445	\$ 33,009	\$ 3,918	\$ 259,372

See accompanying notes to financial statements

CASA for Lancaster County
Statements of Cash Flows
For the Years Ended June 30, 2018 and 2017

	2018	2017
Cash Flows from Operating Activities		
Cash received from revenue and support	\$ 313,074	\$ 253,757
Cash paid to employees and suppliers	(289,168)	(257,291)
Interest received	649	249
	24,555	(3,285)
Net Cash Provided by (Used in) Operating Activities	24,555	(3,285)
Cash Flows from Investing Activities		
Purchase of long-term investments	-	(25,000)
Reinvested net investment income	(1,237)	(106)
	(1,237)	(25,106)
Net Cash Used in Investing Activities	(1,237)	(25,106)
Cash and Cash Equivalents, Beginning of Year	46,483	74,874
Cash and Cash Equivalents, End of Year	\$ 69,801	\$ 46,483
Reconciliation of Increase in Net Assets to Net Cash Provided by (Used in) Operating Activities		
Increase in Net Assets	\$ 57,532	\$ 6,083
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by (Used in) Operating Activities		
Depreciation	385	345
Increase in assets		
Promises to give	(35,610)	(11,449)
Increase (decrease) in liabilities		
Accounts payable	(271)	(9)
Accrued payroll liabilities	2,519	1,745
	(32,977)	(9,368)
Total Adjustments to Increase in Net Assets	(32,977)	(9,368)
Net Cash Provided by (Used in) Operating Activities	\$ 24,555	\$ (3,285)

See accompanying notes to financial statements.

CASA for Lancaster County
Notes To Financial Statements
For the Years Ended June 30, 2018 and 2017

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

CASA for Lancaster County is a not-for-profit corporation formed to provide court appointed support and guidance to abused and neglected children in the State of Nebraska.

Method of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting.

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 revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Net Asset Classification

CASA for Lancaster County reports 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.

Unrestricted net assets. Net assets that are not subject to outside restrictions.

Temporarily restricted net assets. Net assets on which grantors or donors have placed restrictions regarding the use of the funds or the time period in which the funds can be used. 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".

Permanently restricted net assets. Net assets whose funds must be held indefinitely. CASA for Lancaster County has not received any contributions that are classified as permanently restricted net assets.

Cash Equivalents

CASA for Lancaster County considers all unrestricted liquid investments with original maturities of three months or less to be cash equivalents.

Vacation Leave Policy

Employees are allowed a maximum of 160 hours of vacations per fiscal year and may carry over a maximum of 15 days of unused vacation hours to the following year.

Functional Expenses

Expenses are charged directly to their respective functional category based on specific identification.

**CASA for Lancaster County
Notes To Financial Statements
For the Years Ended June 30, 2018 and 2017**

Note 1: Nature of Operations and Summary of Significant Accounting Policies – Continued

Promises to Give

Contributions are recognized when the donor makes a promise to give to CASA for Lancaster County that is unconditional. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. All donor restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a time restriction expires or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets. Contributions having donor stipulations that are satisfied in the period the gift is received are reported as unrestricted revenue and net assets. Based on a review of outstanding receivables and historical collections information, management has deemed no allowance is necessary for doubtful accounts.

Property and Equipment

Property and equipment is stated at cost if purchased, or at estimated fair value if donated, and is depreciated on a straight-line basis over the estimated useful life of each asset, which is between five and seven years. CASA for Lancaster County’s policy is to capitalize property and equipment expenditures over \$500 and expense those under that amount.

Income Taxes

CASA for Lancaster County is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of state law. Therefore, income earned in the performance of its exempt purpose is not subject to income tax. However, CASA for Lancaster County is subject to federal income tax on any unrelated business taxable income at normal corporate rates.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the statement of activities.

Note 2: Property and Equipment

The net book value of CASA for Lancaster County’s property and equipment at June 30 consists of:

	2018	2017
Property and equipment	\$ 18,408	\$ 18,408
Less accumulated depreciation	(18,408)	(18,023)
	\$ -	\$ 385

CASA for Lancaster County
Notes To Financial Statements
For the Years Ended June 30, 2018 and 2017

Note 3: Temporarily Restricted Net Assets

As of June 30, temporarily restricted net assets consist of:

	2018	2017
Juvenile Justice Review Committee	\$ 23,510	\$ 17,000
United Way	49,023	27,797
Julie Aksamit	-	10,000
Nebraska Crime Commission	46,322	17,648
Woods Charitable Fund	-	10,000
Breakfast pledges	-	800
	<u>\$ 118,855</u>	<u>\$ 83,245</u>

Note 4: Promises to Give

As of June 30, promises to give consist of the following:

	2018	2017
Due within one year	\$ 97,855	\$ 83,245
Due within one to five years	21,000	-
	<u>\$ 118,855</u>	<u>\$ 83,245</u>

Note 5: Operating Leases

CASA for Lancaster County conducts its operations from office space covered by an operating lease expiring in August 2021. The organization also leases certain office equipment under various operating leases extending beyond twelve months.

The financial statements include rent expense of \$20,017 for the years ended June 30, 2018 and 2017.

Future minimum lease payments on non-cancellable operating leases extending beyond one year are as follows at June 30, 2018:

<u>Year ending June 30,</u>	
2019	\$ 21,821
2020	21,159
2021	20,400
2022	3,400
Thereafter	-
	<u>\$ 66,780</u>

CASA for Lancaster County
Notes To Financial Statements
For the Years Ended June 30, 2018 and 2017

Note 6: Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, October 17, 2018 and has determined that no events occurred that require disclosure.

Note 7: Uncertain Tax Positions

Management has analyzed the tax positions taken by CASA for Lancaster County, and has concluded that as of June 30, 2018, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. CASA for Lancaster County's tax years open to examination by the IRS are those years ending June 30, 2016, 2017 and 2018.

Note 8: Fair Value of Investments

CASA for Lancaster County has adopted the provisions of FASB ASC 820. Under FASB ASC 820, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

FASB ASC 820 establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of CASA for Lancaster County. Unobservable inputs reflect the entity's assumption about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

- Level 1 Valuations based on unadjusted quoted prices for identical assets or liabilities that the entity has the ability to access. Valuation adjustments and block discounts are not applied to Level 1 securities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.
- Level 2 Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.
- Level 3 Valuations based on inputs that are unobservable, supported by little or no market activity, and significant to the overall fair value measurement.

The fair value of CASA for Lancaster County investments, based on FASB ASC 820 measurement criteria, total \$26,343 and \$25,106, and fall within Level 1, at June 30, 2018 and 2017 respectively.