Court Appointed Special Advocates of Mercer County, Inc.
Financial Statements for the Year Ended June 30, 2015 and Independent Auditors' Report

Ditmars, Perazza & Co.

CERTIFIED PUBLIC ACCOUNTANT

Kenneth M. Ditmars, CPA

Telephone: (609) 265-8698
Fax: (609) 265-8621

E-mail: KDIT478@aol.com

Office Address
12 Oak Tree Court
Westampton, NJ 08060

Mailing Address
P.O. Box 478
Rancocas, NJ 08073-0478

Independent Auditor's Report

CASA of Mercer County, Inc.
1450 Parkside Avenue, Suite 22
Ewing, NJ 08638

October 21, 2015

To the Board of Trustees:

Report on Financial Statements

We have audited the accompanying financial statements of CASA of Mercer County, Inc., which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, of functional expenses and of cash flows for the year then ended, and the related notes of 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 Unites States of America; this includes the design, implementation, and maintenance of the 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 and the 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 organization'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 organization'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.

Report on Summarized Comparative Information

We have previously audited CASA of Mercer County, Inc.'s 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 5, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CASA of Mercer County, Inc. as of June 30, 2015, and the changes in its net assets and its cash flows for the year that ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 21, 2015 on our consideration of the CASA of Mercer County, Inc.'s internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts, 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 the 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 of Mercer County, Inc.'s internal control over financial reporting and compliance.

Ditmars, Perazza & Co.

Court Appointed Special Advocates of Mercer County, Inc.
Statement of Financial Position
June 30, 2015
(with summarized totals for 2014)

	2015	2014
ASSETS:		
Current Assets:		
Cash and Cash Equivalents	$ 540,500	$ 490,677
Grants and Accounts Receivable	53,507	52,971
Prepaid Expenses and Other Assets	118	1,445
Total Current Assets	594,125	545,093
Property and Equipment, at Cost Less Accumulated Depreciation of $ 51,546	338,953	348,700
TOTAL ASSETS	$ 933,078	$ 893,793
LIABILITIES AND NET ASSETS:		
Current Liabilities:		
Accounts Payable and Accrued Expenses	$ 15,015	$ 13,617
Refundable Advances	3,290	1,392
Current Maturity of Long Term Debt	18,794	9,416
Total Current Liabilities	37,099	24,425
Long Term Debt, Net of Current Maturities	209,699	229,322
Total Liabilities	246,798	253,747
Net Assets:		
Unrestricted:		
Invested in Property and Equipment	110,461	109,961
Unrestricted	564,948	513,748
Total Unrestricted Net Assets	675,409	623,709
Temporarily Restricted Net Assets	10,871	16,337
Total Net Assets	686,280	640,046
TOTAL LIABILITIES AND NET ASSETS	$ 933,078	$ 893,793

The accompanying footnotes are an integral part of the financial statements.

Court Appointed Special Advocates of Mercer County, Inc.
Statement of Activities
For the Year Ended June 30, 2015
(with summarized totals for 2014)

	Unrestricted	Temporarily Restricted	Total 2015	Total 2014
Public Support and Revenue:				
Government and Pass-through Grants	$ 431,482		$ 431,482	$ 333,347
Corporate, Foundation and Other Grants	1,550	$ 25,000	26,550	41,500
Contributions	168,858		168,858	171,749
Special Events	180,947		180,947	150,089
In-Kind Contributions - Contributed Services	466,355		466,355	417,362
Other income	575		575	115
Investment Income	1,445		1,445	3,990
Total Support and Revenue	1,251,212	25,000	1,276,212	1,118,152
Net Assets Released From Restrictions	30,466	(30,466)	-	-
Total Support and Revenue and Net Assets Released from Restrictions	1,281,678	(5,466)	1,276,212	1,118,152
Expenses:				
Program Expenses	1,016,784		1,016,784	900,854
Management and General	91,414		91,414	99,971
Fundraising Expense	121,780		121,780	107,992
			-	
Total Expenses	1,229,978	-	1,229,978	1,108,817
Change in Net Assets From Operations	51,700	(5,466)	46,234	9,335
Net Assets - Beginning of the Year	623,709	16,337	640,046	630,711
Net Assets - End of the Year	$ 675,409	$ 10,871	$ 686,280	$ 640,046

The accompying footnotes are an integral part of the financial statements.

Court Appointed Special Advocates of Mercer County, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2015
(with summarized totals for 2014)

	Program Services	Management and General	Fundraising	Total 2015	Total 2014
Personnel Costs:					
Salaries	$ 423,328	$ 30,254	$ 58,926	$ 512,508	$ 448,792
Fringe Benefits	36,964	1,883	3,452	42,299	39,979
Payroll Taxes	37,654	2,772	4,991	45,417	38,268
				-	
Total Personnel Costs	497,946	34,909	67,369	600,224	527,039
				-	
Operating Expenses:					
Advertising	6,497			6,497	3,363
Corporate filing fees		360		360	452
Depreciation	7,603	682	1,462	9,747	9,898
Development director			350	350	956
Dues and Subscriptions	1,415	5,664		7,079	1,867
Insurance	4,646	4,645		9,291	8,741
Interest Expense	10,060	903	1,935	12,898	14,747
Janitorial	1,498	134	288	1,920	1,520
Miscellaneous		1,374	694	2,068	57
Office Equipment	693	357		1,050	3,732
Office Supplies	3,064	1,022	1,134	5,220	4,163
Parking and Tolls	740			740	560
Partnership Building	756			756	102
Payroll Service		1,074		1,074	3,387
Program	230			230	253
Postage	1,438	129	277	1,844	3,466
Printing and Reproduction			3,583	3,583	7,194
Professional Fees	668	37,680		38,348	25,358
Public relations				-	5,013
Rent	9,000			9,000	9,000
Repairs and Maintenance	9,447	848	1,817	12,112	11,904
Software	24			24	45
Special Events			40,354	40,354	30,908
Spot Awards	700			700	1,200
Sunshine		458		458	573
Telephone	5,497	493	1,057	7,047	6,942
Training	9,599			9,599	9,925

Travel	3,815			3,815	5,641
Utilities	7,594	682	1,460	9,736	8,481
Volunteer Advocate Services	432,291			432,291	400,290
Volunteer	1,563			1,563	2,040
				-	
Total Operating Expense	518,838	56,505	54,411	629,754	$ 581,778
Total Expenses	$ 1,016,784	$ 91,414	$ 121,780	$ 1,229,978	1,108,817

The accompanying footnotes are an integral part of the financial statements.

Court Appointed Special Advocates of Mercer County, Inc.
Statement of Cash Flows
For the Year Ended June 30, 2015

		2015
Cash Flows from Operating Activities:		
Change in Net Assets	$	46,234
Reconciliation of Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation		9,747
Increase in receivables		(536)
Decrease in other assets		1,327
Increase in payables		
		3,296
Net Cash Provided by Operating Activities		60,068
Cash Flows From Investing Activities:		
Capital Expenditures		-
Net Cash Provided by (Used In) Investing Activities		-
Cash Flows From Financial Activities:		
Principle Payments on Long Term Debt		(10,245)
Net Cash Provided by (Used In) Financing Activities		(10,245)
Increase in Cash and Cash Equivalents		49,823
Cash and Cash Equivalents at Beginning of Year		490,677
Cash and Cash Equivalents at End of Year	$	540,500
Supplemental Information:		
Interest Paid	$	12,897

The accompanying footnotes are an integral part of the financial statements.

Court Appointed Special Advocates of Mercer County, Inc.
Notes to the Financial Statements
For the Year Ended June 30, 2015

1. Summary of Significant Accounting Polices

The following is a summary of the significant accounting policies of the Court Appointed Special Advocates of Mercer County, Inc. ("CASA of Mercer County"), a New Jersey not-for-profit corporation.

Organization

CASA of Mercer County is a not-for-profit organization which trains community volunteers to speak up in court for children who have been removed from their homes due to abuse and/or neglect. The volunteers ensure that needed services and assistance are provided, while moving the child toward a safe and permanent home. The program recruits, screens, trains, and supervises the volunteers. CASA of Mercer County is exempt from federal and state income taxes under Section 501 (c) (3) of the Internal Revenue Code and similar state provisions.

Adoption of the FASB Accounting Standards Codification

The Financial Accounting Standards Board ("FASB") issued FASB Accounting Standards Codification ("ASC") effective for financial statements issued for interim and annual periods ending after September 15, 2009. The ASC is an aggregation of previously issued authoritative accounting principles generally accepted in the United States of America ("GAAP") in one comprehensive set of guidance organized by subject area. In accordance with the ASC, references to previously issued accounting standards have been replaced by ASC references. Subsequent revisions to GAAP will be incorporated into the ASC through Accounting Standards Updates (ASU). The ASC did not have an effect on CASA of Mercer County's results of operations or financial condition.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of CASA and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets that are not subject to donor-imposed restrictions.

Temporarily Restricted Net Assets – 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 Statements of Activities as net assets released from restriction.

Use of Estimates and Assumptions

Management uses estimates and assumptions in preparing its financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Revenue and Support Recognition

Contributions are recognized as revenue when they are received or unconditionally pledged. Donated marketable securities are recorded as contributions at their fair value at date of sale. It is CASA of Mercer County's policy to sell the securities when received.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporary restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Grants receivable represent amounts committed by donors that have not been received by Casa of Mercer County. Grants with donor-imposed restrictions that limit their use to long term purposes are classified as noncurrent assets.

CASA of Mercer County accounts for contract and grant revenues, which are exchange transactions, in the Statement of Activities to the extent that expenses have been incurred for the purposes specifies by the grantor for the period. All monies not expended in accordance with the grant or contract are recorded as a liability to the grantor, as CASA of Mercer County does not maintain any equity in the grant or contract. Additionally, funds received in advance of their proper usage are accounted for as deferred revenue in the Statement of Financial Position.

Cash and Cash Equivalents

Cash equivalents consist of all highly liquid debt instruments purchased with a maturity of three months or less, unless bank certificates of deposit and treasury obligations. Bank certificates of deposit and treasury obligations are considered to be temporary investments, not cash equivalents.

The Organization's cash and cash equivalent accounts and interest bearing deposits in banks and other financial institutions may at times exceed the federally insured limits.

The Organization has not experienced any losses in these accounts. Management believes that the Organization is not exposed to any significant risk on these deposits.

Property and Equipment

CASA of Mercer County capitalizes all expenditures in excess of $1,000 for property and equipment, at cost. The fair market value of donated fixed assets is similarly capitalized. Expenditures for maintenance and repairs are charged to operating expenses. Donations are recorded as unrestricted support, unless the donor has restricted the donated assets to a specific purpose. Depreciation of property and equipment is capitalized using the straight-line method over the estimated useful lives of the assets (5 to 39 years).

Donated Materials

Material and other assets received as donations are recorded and reflected in the accompanying financial statements at their fair values at the date of receipt.

Advertising Costs

Advertising costs are expensed as incurred.

Income Taxes

CASA of Mercer County is exempt from federal income taxes under Section (501)(c)(3) of the Internal Revenue Code, and therefore has made no provisions for federal income taxes.

CASA of Mercer County is subject to routine audits by taxing jurisdictions. There are currently no such audits for any tax periods in progress. CASA believes it is no longer subject to income tax examinations for years prior to 2011.

CASA of Mercer County's policy is to classify income tax related interest and penalties in interest expense and miscellaneous operating costs, respectively.

Functional Allocation of 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, supporting services and fundraising events benefited.

Compensated Absences

Employees of CASA of Mercer County are entitled to paid vacation, paid sick days and personal days off, depending on job classification, length of service and other factors. It is impracticable to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the accompanying financial statements.

CASA of Mercer County's policy is to recognize the cost of compensated absences when actually paid to the employees.

Subsequent Events

The Financial Accounting Standards Board has issued a standard that applies to annual financial periods ending after June 15, 2009. These standards establishes principles setting forth the period after the balance sheet date during which management shall evaluate events and transactions that may occur for potential recognition or disclosure in the financial statements. For the purposes of this accounting standard, CASA of Mercer County has evaluated subsequent events through October 21, 2015.

2. Grants Receivable

Grants receivable, which are all due within one year, consist of the following:

	2015
Mercer County	$ 20,000
VOCA – Mercer County	12,702
VOCA – Burlington County	14,664
CDBG	4,339
Other	1,802
Total Grants Receivable	$ 53,507

3. Property and Equipment

The following is a summary of property and equipment as of June 30, 2015.

	Estimated Useful Life In Years	2015
Furniture and Fixtures	5-7	$ 4,799
Building	39	351,189
Land		34,511
		390,499
Accumulated Depreciation		(51,546)
Property and Equipment – Net		$ 338,953

Non-Expendable property acquired with grant funds is considered to be owned by CASA of Mercer County, while used in the program for which it was acquired or in future authorized programs; however, the funding sources have a reversionary interest in the property. Its disposition, as well as the ownership of any proceeds therefrom, is subject to their regulations.

4. Long Term Debt

CASA of Mercer County's obligation under long term debt consists of the following:

	2015
Ten year note payable, due in monthly installments of $2,452, including interest calculated at the rate of 4.75 % thru March 1, 2025. The note is secured by the building and land; the net book value of the building, land and improvements is $338,427	$ 228,493
Less Current Maturities	18,794
Total Long Term Debt Net of Current Maturities	$ 209,699

Minimum principle payments due for the next five years subsequent to June 30, 2015 are as follows:

Year Ended June 30,	**Amount**
2016	18,794
2017	19,751
2018	20,724
2019	21,744
2020	23,067

5. Net Assets – Temporarily Restricted

The temporarily restricted net assets at June 30, 2015 are comprised of contributions which were designed by the donor for use in future periods. These donations require the passage of time and the use of the funds to satisfy the asset restriction. The time restrictions will be met in the succeeding fiscal years as follows:

June 30, 2016	$ 10,871

6. Special Events

Special events consisted of the following:

June 30, 2015	Revenue	Expenses	Net Income
CASA Kids 5K Run	$ 44,257	$ 9,993	$ 34,264
Burlington Event	36,252	7,181	29,071
Winter Event	95,582	19,140	76,442
Other Events	4,856	4,040	816
Total	$ 180,947	$ 40,354	$ 140,593

7. Contributed Services

The use of trained volunteers is important to the mission of CASA of Mercer County. The volunteers (advocates) undergo rigorous training of 32 hours before they can serve as an advocate. Volunteers will work an estimated 10-12 hours each month. During the year ended June 30, 2015, the hours worked were 16,834 hours. This time has an estimated value of $ 432,291. This estimate is determined by CASA of Mercer County, using a state average wage for volunteers, as determined by the Independent Sector. CASA of Mercer County received contributed services from CASA of New Jersey for accounting and other professional services, in the amount of $ 20,222 for the year ended June 30, 2015.

In addition, many individuals volunteer their time and provide a variety of tasks that assist CASA of Mercer County, but these services do not meet the criteria for recognition as contributed services.

8. Lease Commitments

CASA of Mercer County leased office space from Grace and Richards Development, LLC for their Mt. Holly, NJ location. The lease term expired 9/30/2015 and included monthly rent in the amount of $ 750 per month. CASA made a decision to not renew the lease and has moved to a new office, also in Mt. Holly. Total rent expense was **$ 9,000** for the year ended June 30, 2015.

9. Retirement Plan

CASA of Mercer County maintains a 401(k) Profit Sharing Plan effective January 1, 2004, which covers essentially all full-time employees. An employee becomes eligible to make elective salary deferrals under the Plan after the completion of one month of service and attainment of the age of 21. Employees can defer up to the maximum amount of compensation under IRS guidelines. An employee becomes eligible for matching contributions after the completion of six months of service and completion of 1,000 hours of work in the Plan year. Contributions of this Plan were made at the rate of 3% of employee's compensation, amounting to $ 10,916 for the year ended June 30, 2015.

10. Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended June 30, 2014, from which the summarized information was derived