

AUDITED FINANCIAL STATEMENTS
OF
HENRICO COUNTY COURT
APPOINTED SPECIAL ADVOCATES, INC.
FOR THE YEARS ENDED
JUNE 30, 2011 AND JUNE 30, 2010

AUDITED FINANCIAL STATEMENTS

OF

HENRICO COUNTY COURT APPOINTED SPECIAL ADVOCATES, INC.

FOR THE YEAR ENDED JUNE 30, 2011 AND JUNE 30, 2010

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Dooley & Vicars
Certified Public Accountants, L.L.P.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of Henrico County Court Appointed Special Advocates, Inc.

We have audited the accompanying statement of financial position of Henrico County Court Appointed Special Advocates, Inc., as of June 30, 2011, and June 30, 2010, and the related statements of activities, cash flows, and functional expenses for the year then ended. These financial statements are the responsibility of the Company's management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Henrico County Court Appointed Special Advocates, Inc., as of June 30, 2011 and June 30, 2010, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Dooley & Vicars
Certified Public Accountants

Richmond, Virginia
September 1, 2011

HENRICO COUNTY COURT APPOINTED SPECIAL ADVOCATES, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2011
(With Comparative Totals for 2010)

ASSETS	Unrestricted	Temporarily Restricted	Totals	
			2011	2010
CURRENT ASSETS				
Cash and Cash Equivalents	\$ 223,678	\$ 36,000	\$ 259,678	\$ 248,939
Investments	71,461	-	71,461	34,315
Other Receivables	4,328	-	4,328	5,545
Total Current Assets	299,467	36,000	335,467	288,799
EQUIPMENT				
Furniture and Equipment	10,279	-	10,279	9,750
	10,279	-	10,279	9,750
Less: Accumulated Depreciation	(8,471)	-	(8,471)	(7,283)
	1,808	-	1,808	2,467
Total Assets	\$ 301,275	\$ 36,000	\$ 337,275	\$ 291,266
LIABILITIES				
CURRENT LIABILITIES				
Accrued Liabilities	\$ 3,375	\$ -	\$ 3,375	\$ 2,600
Total Current Liabilities	3,375	-	3,375	2,600
NET ASSETS				
Unrestricted	297,900	-	297,900	271,200
Temporarily Restricted	-	36,000	36,000	17,466
	297,900	36,000	333,900	288,666
Total Liabilities and Net Assets	\$ 301,275	\$ 36,000	\$ 337,275	\$ 291,266

The accompanying notes are an integral part of these financial statements

HENRICO COUNTY COURT APPOINTED SPECIAL ADVOCATES, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011
(With Comparative Totals for 2010)

	Unrestricted	Temporarily Restricted	Totals	
			2011	2010
SUPPORT AND REVENUE				
Grants	\$ -	\$ 210,928	\$ 210,928	\$ 206,995
Contributions	39,338	-	39,338	29,788
In Kind Contributions	22,200	-	22,200	22,200
Special Event Revenue, net of direct expenses 2011 \$5,687 2010 \$7,455	19,105	-	19,105	21,436
Interest Income	1,353	-	1,353	1,153
Investment Return	6,021	-	6,021	2,572
Other Income	1,437	-	1,437	1,727
	<u>89,454</u>	<u>210,928</u>	<u>300,382</u>	<u>285,871</u>
Net Assets Released from Restriction	192,394	(192,394)	-	-
	<u>281,848</u>	<u>18,534</u>	<u>300,382</u>	<u>285,871</u>
EXPENSES				
Program Service, Child Advocacy	<u>209,622</u>	<u>-</u>	<u>209,622</u>	<u>190,898</u>
Supporting Services				
Management and General	28,942	-	28,942	29,312
Fund-Raising	16,584	-	16,584	25,596
Total Supporting Services	<u>45,526</u>	<u>-</u>	<u>45,526</u>	<u>54,908</u>
Total Expenses	<u>255,148</u>	<u>-</u>	<u>255,148</u>	<u>245,806</u>
Change in Net Assets	26,700	18,534	45,234	40,065
NET ASSETS				
Beginning of Year	<u>271,200</u>	<u>17,466</u>	<u>288,666</u>	<u>248,601</u>
End of Year	<u>\$ 297,900</u>	<u>\$ 36,000</u>	<u>\$ 333,900</u>	<u>\$ 288,666</u>

The accompanying notes are an integral part of these financial statements

HENRICO COUNTY COURT APPOINTED SPECIAL ADVOCATES, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2011
(With Comparative Totals for 2010)

	Totals	
	2011	2010
Cash Flows from Operating Activities		
Change in Net Assets	\$ 45,234	\$ 40,065
Adjustments to Reconcile Change in Net Assets		
Depreciation	1,187	2,111
Unrealized Loss (Gain) in Investments	(7,145)	(3,350)
(Increase) Decrease in:		
Other Receivables	1,217	(5,545)
Increase (Decrease) in:		
Accrued Expenses	775	100
	41,268	33,381
Net Cash Provided By (Used In) Operating Activities		
Cash Flows (Used In) Investing Activities		
Purchase of Investments	(30,000)	-
Purchase of Property and Equipment	(529)	(524)
	(30,529)	(524)
Net Cash Provided By (Used In) Investing Activities	(30,529)	(524)
Net Increase (Decrease) in Cash	10,739	32,857
Cash at Beginning of Year	248,939	216,082
Cash at End of Year	\$ 259,678	\$ 248,939

The accompanying notes are an integral part of these financial statements

HENRICO COUNTY COURT APPOINTED SPECIAL ADVOCATES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2011
(With Comparative Totals for 2010)

	Program Service	Supporting Services			Totals	
		Child Advocacy	Management and General	Fund-Raising	Total	2011
Salaries	\$ 162,510	\$ 18,470	\$ 15,391	\$ 33,861	\$ 196,371	\$ 192,082
Payroll Taxes	12,873	1,431	1,193	2,624	15,497	14,987
Total Payroll Expenses	175,383	19,901	16,584	36,485	211,868	207,069
Communications	2,000	400	-	400	2,400	2,400
Supplies	1,209	-	-	-	1,209	743
Postage and Shipping	1,238	-	-	-	1,238	264
Printing and Promotion	2,973	-	-	-	2,973	2,289
Professional Fees	-	4,252	-	4,252	4,252	3,511
Travel	90	-	-	-	90	103
Education and Outreach	6,929	-	-	-	6,929	5,535
Donated Facilities	19,800	-	-	-	19,800	19,800
Insurance	-	1,104	-	1,104	1,104	582
Miscellaneous	-	2,098	-	2,098	2,098	1,399
Depreciation	-	1,187	-	1,187	1,187	2,111
Total Expenses	\$ 209,622	\$ 28,942	\$ 16,584	\$ 45,526	\$ 255,148	\$ 245,806

The accompanying notes are an integral part of these financial statements

**HENRICO COUNTY COURT APPOINTED SPECIAL ADVOCATES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

Note 1: Organization and Business

Nature of Activities - Henrico County Court Appointed Special Advocates, Inc. (CASA) is a non-stock corporation committed to advocating the best interests of children involved in the Juvenile and Domestic Relations District Court process. The CASA program recruits, trains, and supervises competent volunteers dedicated to representing the needs of abused and neglected children, as well as other children in juvenile dependency proceedings. The program promotes safe, permanent homes for all children and seeks to educate the community concerning the needs of abused and neglected children. A significant level of annual financial support is provided through the government award programs which require CASA to adhere to certain compliance requirements.

Note 2: Summary of Significant Accounting Policies

Method of Accounting - The financial statements of Henrico Court Appointed Special Advocates, 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 - Henrico CASA, Inc. accounts for contributions received as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of an donor restrictions.

Resources are reported for accounting purposed in separate classes of net assets based on the existence or absence of donor-imposed restrictions. In the accompanying financial statements, net assets that have similar characteristics have been combined in similar categories as follows:

Unrestricted Net Assets - Net assets that are not subject to donor-imposed restrictions. Unrestricted net assets maybe designated for specific purposes by the Board of Directors.

Temporarily Restricted Net Assets - Net assets whose use by CASA is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled or removed by actions of CASA pursuant to those stipulations.

Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations that they be maintained by CASA.

The Organization did not have any permanently restricted net assets as of June 30, 2011 or June 30, 2010.

HENRICO COUNTY COURT APPOINTED SPECIAL ADVOCATES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011
(Continued)

Note 2: Summary of Significant Accounting Policies (Cont.)

Revenues are reported as increases in unrestricted net assets unless the use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Realized and unrealized gains and losses on investments are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of donor-imposed stipulations that simultaneously increase one class of net assets and decrease another are reported as reclassifications between the applicable classes of net assets.

Support that is restricted by the donor is reported as an increase in temporarily restricted net assets. 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.

Contributions, including unconditional pledges, are recognized as revenues in the period received. Conditional pledges are not recognized until the conditions on which they depend are substantially met. Gifts of securities are recorded at their fair market value when received.

Cash and Cash Equivalents - For purposes of reporting cash flows, CASA considers cash equivalents to include certificates of deposit and other highly liquid debt instruments purchased with an original maturity of three months or less.

Investments - Investments are composed of debt and equity securities. Investments in marketable securities and in debt securities with readily determinable fair values are reported at their fair values in the Statement of Financial Position. Donated investments are recorded at fair value as of the date received by the Organization. Unrealized and realized gains and losses are reflected in the Statement of Activities.

Estimates - The preparation of financial statements in accordance 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, liabilities, revenues, and expenses and disclosure of contingent assets and liabilities for the reported periods. Actual results could differ from those estimates.

Government Grants - Henrico County Court Appointed Special Advocates, Inc., receives the majority of its funding from state and local agencies under cost-reimbursement contracts. Because the resource providers generally receive commensurate value, these funding arrangements are classified as exchange transactions and reported as unrestricted support.

HENRICO COUNTY COURT APPOINTED SPECIAL ADVOCATES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011
(Continued)

Note 2: Summary of Significant Accounting Policies (Cont.)

Furniture and Equipment - Furniture and equipment are stated at cost. Depreciation is calculated using the straight-line method over useful lives ranging from five to seven years. Acquisitions of furniture and equipment over \$500 are capitalized if their useful lives exceed one year.

Contributions - Contributions and special events revenue are recorded as unrestricted or temporarily restricted support, depending on the existence and nature of any donor restrictions.

Income Taxes - The Internal Revenue Service has determined that Henrico County Court Appointed Special Advocates, Inc., is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code. Contributions to the Organization are tax deductible as defined by Section 170 of the Code. In addition, the Internal Revenue Service has determined that the Organization is not a "private foundation" within the meaning of Section 509(a) of the Code.

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 benefited using both judgment and specific identification.

Donated Facilities and Services - The Organization receives services from a substantial number of unpaid volunteers who have made significant contributions of their time to children's services. Henrico County Court Appointed Special Advocates, Inc., maintains records of volunteer hours and values those hours at rates established under funding sources. However, only donated services that meet the criteria for recognition under generally accepted accounting principles in the United States of America have been reflected on the financial statements.

Volunteer hours unrecorded in the financial statements amounted to approximately 13,053 for the year ended June 30, 2011. The Organization recognizes donated facilities as support. This support is based upon use of office space as provided to the Organization by the County of Henrico at no cost. The value is recorded as income and expense in the Statement of Activities. The value is based on the current rental value of office space and amounted to \$19,800 and \$19,800 for the years ended June 30, 2011 and 2010.

Subsequent Events - Date of Management Evaluation: Management has evaluated subsequent events through September 1, 2011, the date on which the financial statements were available to be issued.

**HENRICO COUNTY COURT APPOINTED SPECIAL ADVOCATES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011
(Continued)**

Note 3: Lease Commitments

In May 2009, the Organization entered into a lease for a copier for a term of forty-eight months. Lease expense for the year ended June 30, 2011 and 2010 was \$1,449 and \$1,674, respectively.

Note 4: Concentration of Credit Risk

Financial instruments that potentially subject Henrico County Court Appointed Special Advocates, Inc., to concentration of credit risk consist principally of cash. The Organization maintained its checking account in a financial institution located in the city of Richmond, Virginia. Checking account balances are insured by the Federal Deposit Insurance Corporation up to \$250,000 per financial institution. Checking account balances did not exceed the FDIC limits. The Organization also has funds invested in money market accounts, as well as corporate stocks and bonds that are not insured by the FDIC. Management believes there are no significant credit risks from receivables as they are primarily due from grant funding.

Note 5: Federal Financial Assistance

The Organization has been awarded grants from the Victims of Crime Act for employee salary and benefits.

	2011	2010
Grant Receipts	\$ 44,460	\$ 44,967
Grant Expenditures	(44,460)	(44,967)
	\$ -	\$ -

HENRICO COUNTY COURT APPOINTED SPECIAL ADVOCATES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011
(Continued)

Note 6: Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes:

Source	Purpose	Amount	
		2011	2010
Victims of Crime Act	Salaries	\$ 44,460	\$ 44,967
Department of Criminal Justice Services	Salaries	62,100	67,484
Henrico County	Salaries and Training	4,680	5,200
Altria Companies Employee Community Fund	Salaries and Training	25,000	-
Ukrops	Salaries	-	250
Memorial Foundation	Salaries, Supplies, Case Expenses, Training, Printing, Recruiting, Postage	9,966	10,034
The Community Foundation	Salaries	-	12,500
Wareheim	Salaries and Training	5,000	3,500
Anne and Walter Robins Foundation	Salaries and Training	5,000	2,500
Family and Childrens Trust	Salaries and Supplies	-	9,597
Jenkins Foundation	Salaries and Consultant	27,650	12,500
Wachovia	Salaries and Training	2,500	2,500
Jewelers for Children	Salaries	-	25,000
Dominion Foundation	Salaries, Supplies, and Training	-	2,500
Coleman Hunter Trust	Salaries, Supplies, and Training	2,500	-
Virginia Law Foundation	Fingerprinting	2,038	-

HENRICO COUNTY COURT APPOINTED SPECIAL ADVOCATES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011
(Continued)

Note 6: Temporarily Restricted Net Assets (Cont.)

Temporarily restricted net assets are available for the following purposes:

Source	Purpose	Amount	
		2011	2010
Bon Secours Foundation	Salaries	\$ 1,000	\$ 1,750
Mary Morton Parsons Foundation	Salaries	-	2,500
SunTrust Foundation	Salaries	500	250
		<u>\$ 192,394</u>	<u>\$ 203,032</u>

Note 7: Investments

Investments as of June 30, 2011, are summarized as follows:

Unrestricted:	Fair Value	Carrying Value
Investments - Mutual Funds	\$ 71,461	\$ 71,461

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended June 30, 2011:

	Unrestricted	Total
Interest and Dividends	\$ 1,129	\$ 1,129
Unrealized Gains (Losses)	6,021	6,021
Total Investment Return	<u>\$ 7,150</u>	<u>\$ 7,150</u>

Investments as of June 30, 2010, are summarized as follows:

Unrestricted:	Fair Value	Carrying Value
Investments - Mutual Funds	\$ 34,315	\$ 34,315

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended June 30, 2010:

	Unrestricted	Total
Interest and Dividends	\$ 780	\$ 780
Unrealized Losses	2,572	2,572
Total Investment Return	<u>\$ 3,352</u>	<u>\$ 3,352</u>