

CASA OF LUZERNE COUNTY
YEARS ENDED JUNE 30, 2016 AND 2015

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**Kronick
Kalada
Berdy & Co.**
A Professional Corporation

Certified Public Accountants

Officers/Shareholders

William R. Lazor, CPA/PFS, CFE
Deborah A. Eastwood, CPA
Kevin R. Foley, CPA
William Fromel, CPA
Mario Ercolani, CPA
Anthony R. Caravaggio, CPA
Ronald H. Ulitchney, CPA
Louis E. Marcin, CPA
Jason C. Williams, CPA

Donald M. Kronick, CPA
Joseph J. Kalada, CPA
Paul Berdy, CPA

Independent Accountants' Review Report

Board of Directors
CASA of Luzerne County
Plains, Pennsylvania

We have reviewed the accompanying statements of financial position of CASA of Luzerne County (a nonprofit organization) as of June 30, 2016 and 2015, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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 the financial statements that are free from material misstatement whether due to fraud or error.

Accountants' Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Kronick Kalada Berdy & Co. PC

Kingston, PA
January 5, 2017

CASA OF LUZERNE COUNTY
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2016 AND 2015

ASSETS

	2016	2015
Cash	\$ 150,284	\$ 89,323
Security deposit	600	600
Machinery and software, net	5,773	-
Total assets	\$ 156,657	\$ 89,923

LIABILITIES AND NET ASSETS

Accounts payable	\$ 118	\$ 57
Deferred revenue	48,450	-
Total liabilities	48,568	57
Net assets, unrestricted	108,089	89,866
Total liabilities and net assets	\$ 156,657	\$ 89,923

See accompanying notes and independent accountants' review report

CASA OF LUZERNE COUNTY

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Revenue:		
Grants	\$ 83,750	\$ 106,956
Contributions	73,411	8,221
Special events	<u>14,629</u>	<u>5,205</u>
Total revenue	<u>171,790</u>	<u>120,382</u>
Expenses:		
Program services	81,278	71,456
Management and general	47,705	36,557
Fund raising	<u>24,593</u>	<u>15,030</u>
Total expenses	<u>153,576</u>	<u>123,043</u>
Interest income	<u>9</u>	<u>-</u>
Change in net assets	18,223	(2,661)
Net assets, unrestricted, beginning of year	<u>89,866</u>	<u>92,527</u>
Net assets, unrestricted, end of year	<u>\$ 108,089</u>	<u>\$ 89,866</u>

See accompanying notes and independent accountants' review report

CASA OF LUZERNE COUNTY
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Change in net assets	\$ 18,223	\$ (2,661)
Depreciation	888	
Changes in:		
Security deposit	-	(600)
Deferred revenue	48,450	-
Accounts payable	<u>61</u>	<u>57</u>
Net cash provided by (used by) operating activities	<u>67,622</u>	<u>(3,204)</u>
Cash flows from investing activities:		
Purchase of property and equipment	<u>(6,661)</u>	
Net cash used in investing activities	<u>(6,661)</u>	
Net increase (decrease) in cash	60,961	(3,204)
Cash, beginning of year	<u>89,323</u>	<u>92,527</u>
Cash, end of year	<u>\$ 150,284</u>	<u>\$ 89,323</u>

See accompanying notes and independent accountants' review report

CASA OF LUZERNE COUNTY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2016

	<u>Supporting services</u>			<u>Total</u>
	<u>Program services</u>	<u>Management and general</u>	<u>Fund raising</u>	
Salaries and payroll	\$ 59,927	\$ 33,573	\$ 23,411	\$ 116,911
Office expenses	7,461	2,829	724	11,014
Rent	2,160	3,240		5,400
Activities	1,915	2,138	458	4,511
Accounting	1,950	1,950		3,900
Insurance	713	2,855		3,568
Depreciation	799	89		888
Training	5,486			5,486
Maintenance	664	664		1,328
Miscellaneous	155	302		457
Taxes	48	48		96
Bank charges		17		17
Total expenses	<u>\$ 81,278</u>	<u>\$ 47,705</u>	<u>\$ 24,593</u>	<u>\$ 153,576</u>

See accompanying notes and independent accountants' review report

CASA OF LUZERNE COUNTY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2015

	<u>Supporting services</u>			<u>Total</u>
	<u>Program services</u>	<u>Management and general</u>	<u>Fund raising</u>	
Salaries and payroll	\$ 51,706	\$ 21,937	\$ 13,835	\$ 87,478
Office expenses	9,281	3,408	457	13,146
Activities	4,174	2,528	738	7,440
Rent	2,280	3,420		5,700
Insurance	662	2,649		3,311
Recruiting	500	1,165		1,665
Maintenance	835	631		1,466
Training	1,254			1,254
Miscellaneous	474	526		1,000
Taxes	290	290		580
Bank charges		3		3
Total expenses	<u>\$ 71,456</u>	<u>\$ 36,557</u>	<u>\$ 15,030</u>	<u>\$ 123,043</u>

See accompanying notes and independent accountants' review report

CASA OF LUZERNE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2016 AND 2015

NOTE 1 Nature of operations

CASA of Luzerne County (the Agency) is a non-profit organization that uses highly trained volunteers to become advocates for abused and neglected children in Luzerne County. Advocates are appointed by a judge, and provide services, guidance, mentoring and representation in court. Their mission is to report to the court the decisions necessary to make sure every individual child has the best chance to succeed in life.

NOTE 2 Summary of significant accounting policies

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Actual results could differ from those estimates, making it reasonably possible that a change in these estimates could occur in the near term.

Machinery and software

Acquisitions of machinery and software are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Functional expenses

The costs of providing the program and other activities have been summarized on a functional basis in the statements of activities and functional expenses. These expenses consist of direct expenses plus expenses that have been allocated between program services and supporting services based on an analysis of personnel time and space utilized for the related activities.

Donated services

No amounts have been reflected in the financial statements for donated services. The Agency pays for most services requiring specific expertise. However, many individuals volunteer significant amounts of time in performing a variety of tasks that assist the Agency in program, fund raising, management, and general activities.

Income taxes

The Agency has been recognized as exempt from income taxes under the Internal Revenue Code Section 501 (c)(3) and similar state statutes and, therefore, has no provision for income taxes. The Agency's open tax years are 2014-2016.

NOTE 3 Concentrations

The Agency receives a substantial amount of its revenue from private foundation grants and contributions. A significant reduction in the level of this revenue would affect the program activities.

CASA OF LUZERNE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2016 AND 2015

NOTE 4 Leases

The Agency leases its facility for a term beginning August 1, 2014 and ending July 21, 2017. The lease requires CASA to make monthly payments of \$450, or annual payments of \$5,400.

In accordance with the terms of the lease agreement, the Agency shall secure and maintain throughout the term of the lease, general public liability insurance, insuring the Lessor and Lessee, against death and personal injuries to one or more person in the amount of \$2,000,000. The organization incurred \$3,568 in liability insurance during the year.

The Agency leases a copier for use in its office. The lease, which runs for a term of 36 months requires monthly payments of \$92. The lease terminates in 2017.

NOTE 5 Subsequent events

Management has evaluated subsequent events through January 5, 2017, which is the date the financial statements were available for issue.