

**OREGON CASA NETWORK**  
**(A Nonprofit Organization)**  
**FINANCIAL STATEMENTS**  
**Years Ended June 30, 2019 and 2018**



## GROVE, MUELLER & SWANK, P.C.

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### ***INDEPENDENT AUDITOR'S REPORT***

Board of Directors  
Oregon CASA Network  
Salem, Oregon

We have audited the accompanying financial statements of Oregon CASA Network (a nonprofit organization), which comprise the statements of financial position as of June 30, 2019, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year 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 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 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 Association'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 Association'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 Oregon CASA Network as of June 30, 2019, and the changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in the notes to the financial statements, for the year ended June 30, 2019, Oregon CASA Network adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The requirements of the ASU have been applied retrospectively to all years presented. Our opinion is not modified with respect to this matter.

### ***Other Matter***

The June 30, 2018 financial statements were reviewed by other accountants and their report thereon, dated January 28, 2019, stated they were not aware of any material modifications that should be made to those statements for them to be in accordance with accounting principles generally accepted in the United States of America. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements as a whole.

  
CERTIFIED PUBLIC ACCOUNTANTS  
December 2, 2019

**OREGON CASA NETWORK**  
**(A Nonprofit Organization)**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2019 AND 2018**

	<i>Audited</i> <b>2019</b>	<i>Reviewed</i> <b>2018</b>
<b>ASSETS</b>		
<i>Current Assets</i>		
Cash and cash equivalents	\$ 463,765	\$ 387,752
Accounts receivable	1,000	-
Prepays	3,857	-
<i>Total Assets</i>	<u>\$ 468,622</u>	<u>\$ 387,752</u>
<b>LIABILITIES AND NET ASSETS</b>		
<i>Current Liabilities</i>		
Accounts payable	\$ 750	\$ 41,050
Grants payable, local CASA programs	200,000	225,000
Accrued vacation	3,968	-
<i>Total Liabilities</i>	<u>204,718</u>	<u>266,050</u>
<i>Net Assets</i>		
Without donor restrictions - undesignated	(2,511)	2,309
With donor restrictions - purpose	266,415	119,393
<i>Total Net Assets</i>	<u>263,904</u>	<u>121,702</u>
<i>Total Liabilities and Net Assets</i>	<u>\$ 468,622</u>	<u>\$ 387,752</u>

*The accompanying notes are an integral part of the financial statements.*

**OREGON CASA NETWORK****(A Nonprofit Organization)****STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS****YEARS ENDED JUNE 30, 2019 AND 2018**

	<i>Audited</i> <b>2019</b>		
	<i>Without Donor</i> <i>Restrictions</i>	<i>With Donor</i> <i>Restrictions</i>	<i>Total</i>
<b>PUBLIC SUPPORT AND REVENUE</b>			
Public support			
Grants and contracts	\$ 6,136	\$ 502,000	\$ 508,136
Contributions	13,995	-	13,995
Net assets released from restrictions	354,978	(354,978)	-
<i>Total Public Support</i>	375,109	147,022	522,131
Revenue			
Member fees	28,013	-	28,013
Other revenue	2,355	-	2,355
<i>Total Revenue</i>	30,368	-	30,368
<i>Total Revenue and Support</i>	405,477	147,022	552,499
<b>EXPENSES</b>			
Program expenses	364,120	-	364,120
General and administrative expenses	41,956	-	41,956
Fundraising expenses	4,221	-	4,221
<i>Total Expenses</i>	410,297	-	410,297
<b>CHANGE IN NET ASSETS</b>	(4,820)	147,022	142,202
<b>NET ASSETS, Beginning of year</b>	2,309	119,393	121,702
<b>NET ASSETS, End of year</b>	\$ (2,511)	\$ 266,415	\$ 263,904

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<i>Reviewed</i>		
<i>2018</i>		
<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>
\$ 21,990	\$ 375,000	\$ 396,990
8,671	-	8,671
336,014	(336,014)	-
366,675	38,986	405,661
22,622	-	22,622
714	-	714
23,336	-	23,336
390,011	38,986	428,997
310,353	-	310,353
62,843	-	62,843
-	-	-
373,196	-	373,196
16,815	38,986	55,801
(14,506)	80,407	65,901
\$ 2,309	\$ 119,393	\$ 121,702

*The accompanying notes are an integral part of the financial statements.*

**OREGON CASA NETWORK**  
**(A Nonprofit Organization)**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**YEARS ENDED JUNE 30, 2019 AND 2018**

	<i>Audited</i>			
	<b>2019</b>			
	<b><i>Program Services</i></b>	<b><i>General and Administrative</i></b>	<b><i>Fundraising</i></b>	<b><i>Total</i></b>
<b>EXPENSES</b>				
Personnel	\$ 86,183	\$ 8,686	\$ 3,872	\$ 98,741
Contract services	5,053	24,659	-	29,712
Consulting fees	10,000	-	-	10,000
Lobbyist fees	35,250	-	-	35,250
Travel	6,472	298	226	6,996
Office rent	5,835	2,324	-	8,159
Supplies and equipment	3,717	240	-	3,957
Meetings and trainings	9,134	374	87	9,595
Technology and telecommunications	1,848	2,149	-	3,997
Printing and copying	194	28	-	222
Postage and delivery	144	1	31	176
Dues and subscriptions	275	150	-	425
Insurance	-	1,295	-	1,295
Miscellaneous	15	1,752	5	1,772
Local programs	200,000	-	-	200,000
	<u>\$ 364,120</u>	<u>\$ 41,956</u>	<u>\$ 4,221</u>	<u>\$ 410,297</u>

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*Reviewed  
2018*

<i>Program Services</i>	<i>General and Administrative</i>	<i>Fundraising</i>	<i>Total</i>
\$ 13,921	\$ 4,100	\$ -	\$ 18,021
-	51,012	-	51,012
16,086	-	-	16,086
27,052	-	-	27,052
24,143	690	-	24,833
-	-	-	-
443	1,671	-	2,114
3,716	2,080	-	5,796
-	-	-	-
-	-	-	-
-	-	-	-
-	2,129	-	2,129
-	1,161	-	1,161
224,992	-	-	224,992
<u>\$ 310,353</u>	<u>\$ 62,843</u>	<u>\$ -</u>	<u>\$ 373,196</u>

*The accompanying notes are an integral part of the financial statements.*

**OREGON CASA NETWORK**  
**(A Nonprofit Organization)**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2019 AND 2018**

	<i>Audited</i> <b>2019</b>	<i>Reviewed</i> <b>2018</b>
<b><i>CASH FLOWS FROM OPERATING ACTIVITIES</i></b>		
Change in net assets	\$ 142,202	\$ 55,801
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Change in assets and liabilities:		
Receivables	(1,000)	13,995
Prepays	(3,857)	-
Accounts payable and grants payable	(65,300)	89,772
Payroll liabilities	-	(1,877)
Accrued Vacation	3,968	
<i>Net Cash Provided by Operating Activities</i>	76,013	157,691
<b><i>CASH AND CASH EQUIVALENTS, Beginning of year</i></b>	387,752	230,061
<b><i>CASH AND CASH EQUIVALENTS, End of year</i></b>	\$ 463,765	\$ 387,752

*The accompanying notes are an integral part of the financial statements.*

## **OREGON CASA NETWORK**

### **(A Nonprofit Organization)**

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

**YEARS ENDED JUNE 30, 2019 AND 2018**

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### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### *Nature of the Organization*

Oregon CASA Network (the Organization) is a nonprofit organization established to strengthen Court Appointed Special Advocate (CASA) programs in Oregon. The vision of the Organization is that every abused and neglected child in Oregon is given the opportunity to thrive in a safe, loving home. The mission of the Organization is to lead Oregon's CASA programs to provide a strong voice for every abused and neglected child statewide. All expenses are for this program.

#### *Basis of Accounting*

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles.

#### *Cash and Cash Equivalents*

For purposes of these financial statements, the Organization considers all highly-liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

#### *Concentration of Credit Risk and Market Risk*

Financial instruments that potentially expose the Organization to concentrations of credit and market risk consist primarily of cash and cash equivalents. Cash and cash equivalents are maintained at financial institutions and are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Cash deposits may exceed the limits of depository insurance, however the Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and investments.

#### *Accounts Receivable*

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Based on management's assessment of the credit history with customers having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year-end are immaterial.

#### *Grants Payable, Local CASA Programs*

The Organization supports local CASA programs primarily through distributions of cash. Payables to local CASA programs at June 30, 2019 and 2018, are monies approved by the Board for payment to the CASA programs, but not yet paid.

#### *Compensated Absences Payable*

Unpaid compensated absences are recorded on the books based on total earned and available vacation hours multiplied by current wage rates.

**OREGON CASA NETWORK**

**(A Nonprofit Organization)**

NOTES TO FINANCIAL STATEMENTS (Continued)

YEARS ENDED JUNE 30, 2019 AND 2018

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Net Assets*

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, the Organization's net assets and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions - Net assets available for use in general operations and not subject to donor restrictions.

Net Assets with Donor Restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed time and purpose restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

*Revenue and Support*

Grants are reported as without donor restriction or with donor restriction support depending on the existence and/or nature of donor restrictions. When a restriction expires, with donor restriction net assets are reclassified to without donor restriction net assets and reported in the statement of activities as net assets released from restrictions.

Membership dues income is recognized as revenue during the period of membership and is recorded when the dues are billed.

*Functional Expenses*

The cost of providing the Organization's various programs and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

*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 and expenses during the reporting period. Actual results could differ from those estimates.

**OREGON CASA NETWORK**

**(A Nonprofit Organization)**

NOTES TO FINANCIAL STATEMENTS (Continued)

YEARS ENDED JUNE 30, 2019 AND 2018

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Income Taxes*

The Organization is a not-for-profit corporation exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is not classified as private foundation.

The Organization follows the provisions of Accounting Standards Codification (ASC) 740 "Accounting for Income Taxes". The Organization's federal and state income tax returns are subject to possible examination by the taxing authority until the expiration of the related statutes of limitations on those returns. In general, the federal and state income tax returns have a three year statute of limitations. The Organization would recognize accrued interest and penalties associated with uncertain tax provisions, if any, as part of the income tax provision.

Management has evaluated tax positions taken and has determined that any uncertainty in those positions would not have a material effect on the financial statements.

**CASH AND CASH EQUIVALENTS**

The Organization has the following cash and cash equivalents as of June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Deposits with financial institutions	\$ 458,760	\$ 382,748
Money market	5,005	5,004
	<u>          </u>	<u>          </u>
<i>Total Cash and Cash Equivalents</i>	<u>\$ 463,765</u>	<u>\$ 387,752</u>

At June 30, 2019 and 2018, the book balances of the Organization's deposits were \$463,765 and 387,752, respectively, and the bank balances of the Organization's deposits were \$464,444 and \$393,807. The difference is due to transactions in process. The Organization maintains bank deposits with various financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2019 and 2018, there was \$209,439 and \$138,803 in uninsured cash balances.

**OREGON CASA NETWORK****(A Nonprofit Organization)**

NOTES TO FINANCIAL STATEMENTS (Continued)

YEARS ENDED JUNE 30, 2019 AND 2018

**LIQUIDITY AND AVAILABILITY**

Financial assets are available for general expenses, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position are comprised of the following:

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 463,765	\$ 387,752
Accounts receivable	1,000	-
	<u>464,765</u>	<u>387,752</u>
Donor restricted	<u>(266,415)</u>	<u>(119,393)</u>
	<u>\$ 198,350</u>	<u>\$ 268,359</u>

As part of the Organization's liquidity management plan, the Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**NET ASSETS WITH DONOR RESTRICTIONS**

At June 30, net assets with donor restrictions were held for the following uses and purposes:

	<u>2019</u>	<u>2018</u>
Purpose restrictions		
Support	\$ 184,105	\$ 119,393
Diversity, equity, and inclusion	82,310	-
	<u>\$ 266,415</u>	<u>\$ 119,393</u>

**OPERATING LEASES**

The Organization leases their office space under an operating lease. Rent expense related to the space was \$8,259 and \$-0- for the years ended June 30, 2019 and 2018, respectively. The lease expires on December 31, 2019 and provides the option to extend for month to month tenancy thereafter. Future minimum lease commitment is \$7,122 as of June 30, 2019.

## **OREGON CASA NETWORK**

### **(A Nonprofit Organization)**

NOTES TO FINANCIAL STATEMENTS (Continued)

YEARS ENDED JUNE 30, 2019 AND 2018

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#### **RELATED PARTY TRANSACTIONS**

As of June 30, 2019 and 2018, the Organization's Board of Directors included nine and eight Board members, respectively, who are Executive Directors of local CASA organizations.

Local CASA organizations, whose Executive Directors are members of Oregon CASA Network's Board of Directors, pay membership dues to Oregon CASA Network. For the year ended June 30, 2019, nine such CASA organizations paid membership dues totaling \$18,722, and for the year ended June 30, 2018, four such CASA organizations paid membership dues totaling \$11,123.

Oregon CASA Network passed through \$225,000 and \$174,278 of grant funds to local CASA organizations during the years ended June 30, 2019 and 2018, respectively. For the year ended June 30, 2019, \$122,578 of those grant funds were passed through to nine local CASA organizations whose Executive Directors are members of Oregon CASA Network's Board of Directors. For the year ended June 30, 2018, \$53,987 of those grant funds were passed through to five local CASA organizations whose Executive Directors are members of Oregon CASA Network's Board of Directors. In addition, at June 30, 2019 and 2018, the Organization committed \$200,000 and \$225,000, respectively, to local CASA organizations, which is included in grants payable, local CASA programs.

In 2017, Oregon CASA Network entered into an agreement with CASA for Children (of Columbia, Multnomah & Washington Counties) whereby CASA for Children provides administrative services support to Oregon CASA Network. Total consulting services related to this agreement were \$10,000 and \$40,000 for the years ended June 30, 2019 and 2018, respectively. At June 30, 2019 and 2018, \$-0- and \$29,265, respectively, was payable to CASA for Children.

#### **CONCENTRATIONS**

For the years ended June 30, 2019 and 2018, 80 percent and 87 percent, respectively, of revenue was derived from two grantors. At June 30, 2019 and 2018, there were no grants receivable.

#### **CHANGE IN ACCOUNTING PRINCIPLE**

The Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has implemented ASU 2016-14 and has adjusted the presentation in these financial statements accordingly.

As a result, certain amounts in prior year financial statements have been reclassified for comparative purposes to conform to presentation in the current year financial statements. The reclassifications had no impact on previously reported total net assets.

**OREGON CASA NETWORK**

**(A Nonprofit Organization)**

NOTES TO FINANCIAL STATEMENTS (Continued)

YEARS ENDED JUNE 30, 2019 AND 2018

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***SUBSEQUENT EVENTS***

Management evaluates events and transactions that occur after the statement of financial position date as potential subsequent events. Management has performed this evaluation through the date of the independent auditor's report.