

**COURT APPOINTED SPECIAL  
ADVOCATES OF TRAVIS COUNTY**

**FINANCIAL STATEMENTS**

**December 31, 2012 and 2011**

**COURT APPOINTED SPECIAL  
ADVOCATES OF TRAVIS COUNTY**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Court Appointed Special Advocates of Travis County  
Austin, Texas

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Court Appointed Special Advocates of Travis County (CASA), which comprise the statement of financial position as of December 31, 2012, and the related statements of activity, 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.

### **Auditors' 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 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 auditors' 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 auditors consider 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 as of December 31, 2012, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

The financial statements of CASA, as of and for the year ended December 31, 2011, were audited by other auditors whose report dated April 2, 2012 expressed an unmodified opinion on those statements.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Atehley & Associates, LLP*

Austin, Texas

June 18, 2013

COURT APPOINTED SPECIAL ADVOCATES OF TRAVIS COUNTY  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2012 AND 2011

ASSETS	2012	2011
Current assets		
Cash and cash equivalents	\$ 1,171,785	\$ 893,427
Pledge receivables	122,050	11,190
Grant receivables, net	272,445	250,694
Prepaid expenses	57,701	48,032
Total current assets	1,623,981	1,203,343
Property and equipment, net	24,214	20,091
Other Assets		
Pledge receivables, net	128,154	-
Lease deposit and HRA trust balance	10,601	12,341
Investments- long-term	-	10,007
Cash and cash equivalents - restricted by capital campaign	7,347	12,346
Total Other Assets	146,102	34,694
 TOTAL ASSETS	 \$ 1,794,297	 \$ 1,258,128
 LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 157,656	\$ 34,664
Compensated absences payable	28,028	25,140
Deferred rent	16,548	-
Deferred revenue	66,400	67,394
Total Current Liabilities	268,632	127,198
Net assets		
Unrestricted	539,759	555,527
Unrestricted- Board designated	700,009	563,057
Total unrestricted net assets	1,239,768	1,118,584
Temporarily restricted	285,897	12,346
Total Net Assets	1,525,665	1,130,930
 TOTAL LIABILITIES AND NET ASSETS	 \$ 1,794,297	 \$ 1,258,128

The accompanying notes are an integral part of these financial statements.

COURT APPOINTED SPECIAL ADVOCATES OF TRAVIS COUNTY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2012

	Unrestricted	Temporarily Restricted	Total
<b>PUBLIC SUPPORT, REVENUES AND RECLASSIFICATIONS</b>			
Public Support and Revenues			
Government Contracts	\$ 846,712	\$ -	\$ 846,712
Grants	760,902	24,000	784,902
Contributions	450,064	-	450,064
Pledges	-	254,550	254,550
Special events fundraising, less direct expenses of \$160,767	466,857	-	466,857
In-kind contributions	11,801	-	11,801
Interest income	317	1	318
Miscellaneous	22	-	22
Realized loss on investments	207	-	207
Unrealized gain/(loss) on investments	-	-	-
<b>Total Public Support and Revenues</b>	<b>2,536,882</b>	<b>278,551</b>	<b>2,815,433</b>
Reclassifications			
Net assets released from restrictions	5,000	(5,000)	-
<b>TOTAL PUBLIC SUPPORT, REVENUES AND RECLASSIFICATIONS</b>	<b>2,541,882</b>	<b>273,551</b>	<b>2,815,433</b>
<b>EXPENSES</b>			
Program	1,894,846	-	1,894,846
Management and general	147,072	-	147,072
Fundraising	378,780	-	378,780
<b>TOTAL EXPENSES</b>	<b>2,420,698</b>	<b>-</b>	<b>2,420,698</b>
Change in Net Assets	121,184	273,551	394,735
NET ASSETS, beginning of year	1,118,584	12,346	1,130,930
NET ASSETS, end of year	<u>\$ 1,239,768</u>	<u>\$ 285,897</u>	<u>\$ 1,525,665</u>

The accompanying notes are an integral part of these financial statements.

COURT APPOINTED SPECIAL ADVOCATES OF TRAVIS COUNTY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2011

	Unrestricted	Temporarily Restricted	Total
<b>PUBLIC SUPPORT, REVENUES AND RECLASSIFICATIONS</b>			
Public Support and Revenues			
Government Contracts	\$ 828,909	\$ -	\$ 828,909
Grants	545,792	-	545,792
Contributions	334,576	7,500	342,076
Special events fundraising, less direct expenses of \$158,403	417,779	-	417,779
In-kind contributions	27,937	-	27,937
Interest income	840	3	843
Miscellaneous	-	-	-
Realized loss on investments	(66)	-	(66)
Unrealized gain/(loss) on investments	2,020	-	2,020
<b>Total Public Support and Revenues</b>	<b>2,157,787</b>	<b>7,503</b>	<b>2,165,290</b>
Reclassifications			
Net assets released from restrictions	92,518	(92,518)	-
<b>TOTAL PUBLIC SUPPORT, REVENUES AND RECLASSIFICATIONS</b>	<b>2,250,305</b>	<b>(85,015)</b>	<b>2,165,290</b>
<b>EXPENSES</b>			
Program	1,621,762	-	1,621,762
Management and general	130,486	-	130,486
Fundraising	322,111	-	322,111
<b>TOTAL EXPENSES</b>	<b>2,074,359</b>	<b>-</b>	<b>2,074,359</b>
Change in Net Assets	175,946	(85,015)	90,931
NET ASSETS, beginning of year	942,638	97,361	1,039,999
NET ASSETS, end of year	<b>\$ 1,118,584</b>	<b>\$ 12,346</b>	<b>\$ 1,130,930</b>

The accompanying notes are an integral part of these financial statements.

COURT APPOINTED SPECIAL ADVOCATES OF TRAVIS COUNTY  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
<b>EXPENSES:</b>				
Salaries and wages	\$ 1,181,011	\$ 81,206	\$ 227,948	\$ 1,490,165
Employee benefits	279,629	19,227	53,972	352,828
Payroll taxes	89,073	6,125	17,192	112,390
	<u>1,549,713</u>	<u>106,558</u>	<u>299,112</u>	<u>1,955,383</u>
Computer supplies and support	19,321	1,323	8,161	28,805
Contract services	10,041	690	31,938	42,669
Depreciation	-	5,170	-	5,170
Direct services	21,648	-	-	21,648
Insurance	9,924	12,104	1,915	23,943
Marketing	5,750	258	1,596	7,604
Occupancy	113,095	7,776	21,828	142,699
Other expenses	31,811	1,732	3,725	37,268
Postage and shipping	5,385	181	2,293	7,859
Printing and publications	19,735	924	2,628	23,287
Professional fees	-	8,935	-	8,935
Supplies	13,977	749	2,524	17,250
Telephone	14,699	516	1,723	16,938
Training	5,662	152	696	6,510
Travel	74,085	4	641	74,730
	<u>345,133</u>	<u>40,514</u>	<u>79,668</u>	<u>465,315</u>
	<u>\$ 1,894,846</u>	<u>\$ 147,072</u>	<u>\$ 378,780</u>	<u>\$ 2,420,698</u>

The accompanying notes are an integral part of these financial statements.



COURT APPOINTED SPECIAL ADVOCATES OF TRAVIS COUNTY  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
<b>EXPENSES:</b>				
Salaries and wages	\$ 1,055,458	\$ 70,136	\$ 196,730	\$ 1,322,324
Employee benefits	172,663	11,474	32,183	216,320
Payroll taxes	79,273	5,268	14,776	99,317
	<u>1,307,394</u>	<u>86,878</u>	<u>243,689</u>	<u>1,637,961</u>
Computer supplies and support	15,395	1,023	2,870	19,288
Contract services	25,537	1,697	39,760	66,994
Depreciation	-	5,947	-	5,947
Direct services	22,733	-	-	22,733
Insurance	8,489	15,564	1,582	25,635
Marketing	8,381	557	1,562	10,500
Occupancy	88,075	5,853	16,417	110,345
Other expenses	30,136	552	5,650	36,338
Postage and shipping	6,705	446	1,250	8,401
Printing and publications	16,768	1,114	3,125	21,007
Professional fees	-	8,935	-	8,935
Supplies	12,229	615	2,627	15,471
Telephone	13,606	465	1,603	15,674
Training	5,459	363	1,018	6,840
Travel	60,855	477	958	62,290
	<u>314,368</u>	<u>43,608</u>	<u>78,422</u>	<u>436,398</u>
	<u>\$ 1,621,762</u>	<u>\$ 130,486</u>	<u>\$ 322,111</u>	<u>\$ 2,074,359</u>

The accompanying notes are an integral part of these financial statements.

COURT APPOINTED SPECIAL ADVOCATES OF TRAVIS COUNTY  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	2012	2011
<b>OPERATING ACTIVITIES</b>		
Change in net assets	\$ 394,735	\$ 90,931
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	5,170	5,947
Present value adjustment to pledge receivables	4,346	-
Unrealized (gain) / loss on investments	-	(2,020)
Realized (gain) / loss on investments	(207)	66
Deferred rent	16,548	-
Change in operating assets and liabilities:		
Pledge receivables	(243,360)	(8,305)
Grant receivables	(21,751)	44,334
Prepaid expenses	(9,669)	(14,646)
Deposits	1,740	(1,361)
Accounts payable	122,992	1,866
Compensated absences payable	2,888	1,970
Deferred revenue	(994)	15,390
Net cash flows from operating activities	272,438	134,172
<b>INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	10,214	9,542
Purchases of property and equipment	(9,293)	-
Net cash flows from investing activities	921	9,542
<b>FINANCING ACTIVITIES</b>		
Transfers and releases of restricted cash for Capital Campaign	4,999	60,015
Net cash flows from financing activities	4,999	60,015
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	278,358	203,729
<b>CASH AND CASH EQUIVALENTS - beginning of year</b>	893,427	689,698
<b>CASH AND CASH EQUIVALENTS - end of year</b>	\$ 1,171,785	\$ 893,427

The accompanying notes are an integral part of these financial statements.

COURT APPOINTED SPECIAL ADVOCATES OF TRAVIS COUNTY  
NOTES TO FINANCIAL STATEMENTS

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of Court Appointed Special Advocates of Travis County (CASA) is presented to assist in understanding CASA's financial statements. The financial statements and notes are representations of CASA's management who is responsible for their integrity and objectivity. These accounting policies and principles conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Nature of Activities

CASA is a non-profit corporation created in 1985 under the Texas Nonprofit Corporation Act. The primary purpose of CASA is to provide trained volunteers who advise the courts about the best interests of children whose home placement is being decided by the court, usually as a result of abuse or neglect. CASA is supported primarily through grants, private donations, and fundraising events.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America.

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 certain reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

CASA considers all cash and other highly liquid investments with maturity of three months or less when purchased to be cash and cash equivalents. Cash equivalents include money market accounts and commercial paper and are stated at cost plus accrued interest, which approximates fair value. Restricted cash is not included in cash and cash equivalents.

Pledge Receivables

Unconditional promises to give are recorded in the period in which a written agreement to contribute cash or other assets is received and are classified as unrestricted, temporarily restricted or permanently restricted support depending on the designation, existence or nature of any donor restrictions. Management does not consider an allowance for promises to give to be necessary as of December 31, 2012 and 2011.

COURT APPOINTED SPECIAL ADVOCATES OF TRAVIS COUNTY  
NOTES TO FINANCIAL STATEMENTS

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

Unconditional promises to give expected to be collected within one year are reported at their net realizable value. Unconditional promises to give expected to be collected in future years are reported at the present value of estimated cash flows. The resulting discounts are amortized and reported in contribution revenue.

Grant Receivables

CASA's grant receivables are valued using an allowance for collectible accounts. Under this method, a provision for uncollectible accounts based on management estimate is charged to expense and the allowance account is increased. CASA's management considers all receivables to be 100% collectible as of December 31, 2012 and 2011.

Property and Equipment

Property and equipment are recorded at cost and depreciated over their estimated useful lives. Any donated items are recorded at the fair value. When assets are retired, or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in the period. Maintenance and repairs are charged to expense as incurred, and significant renewals and betterments are capitalized. CASA has a policy of only capitalizing depreciable assets purchased at or over \$2,000, expensing items falling below that amount. Depreciation is provided using the straight-line method over the estimated useful lives of the assets generally as follows:

Leasehold improvements	3-5 Years
Equipment	5-7 Years
Furniture & Fixtures	3-5 Years

Investments

Investments are carried at their market value and unrealized gains and losses are reflected in the statements of activities. Market values are determined by the most recently traded prices of securities at the statements of financial position date. Net realized gains or losses are determined on the specific identification cost method.

COURT APPOINTED SPECIAL ADVOCATES OF TRAVIS COUNTY  
NOTES TO FINANCIAL STATEMENTS

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

Fair Value Measurements

CASA's investments are accounted for at fair value with unrealized gains and losses reported in the Statement of Activities. Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of a given measurement date, and establishes a framework for measuring fair value. This standard also establishes a three-level hierarchy for such measurements based on the reliability of observable and unobservable inputs as follows:

Level 1- Valuations are based on quoted prices in active markets for identical assets or liabilities that CASA has the ability to access at the measurement date.

Level 2- Valuations are based on quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and model-derived valuations whose significant inputs are observable.

Level 3- Valuations are based on unobservable inputs for the asset or liability that reflect the reporting entity's own data and assumptions that market participants would use in pricing the asset or liability.

Compensated Absences

CASA expenses vacation in the year earned. Upon termination, the employee is compensated for any accrued but unused vacation, not to exceed the maximum of 40 hours unless approved by the Executive Director.

COURT APPOINTED SPECIAL ADVOCATES OF TRAVIS COUNTY  
NOTES TO FINANCIAL STATEMENTS

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

Financial Statement Presentation

CASA reports under the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205, *Not-For-Profit Organizations*. Under FASB ASC 958-205, CASA is required to report information regarding its financial position and activities according to three classes of net assets:

Unrestricted - Net assets that are not subject to any donor-imposed restriction or restricted by internal Board designation.

Temporarily Restricted- 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 statement of activities as net assets released from restrictions.

Permanently Restricted- Net assets subject to donor-imposed stipulations that must be maintained permanently by CASA. CASA had no permanently restricted assets during either year.

Contributions

Under FASB ASC 958-605, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. Contributions that are reported as temporarily or permanently restricted support are reclassified to unrestricted net assets upon expiration of the time or purpose restriction. Contributions and grant restrictions that are satisfied in the year of receipt are reported as unrestricted revenue in the same year.

In-Kind Contributions

Donated property and services are recorded at fair market value on the date of the donation as in-kind contributions if all qualifications for reporting have been met.

COURT APPOINTED SPECIAL ADVOCATES OF TRAVIS COUNTY  
NOTES TO FINANCIAL STATEMENTS

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

Marketing

Marketing costs are reported in operating expenses and include the costs of advertising and other marketing activities. Marketing costs are expensed as incurred.

Functional Expenses

The expenses of CASA's various programs and supporting services have been reported on a functional basis. Certain expenses are allocated between program, management and general, and fundraising based on estimates made by management. The estimates are reviewed periodically and the allocations revised by management.

Exchange Transactions

CASA considers all contracts and grants from government entities as fee for service exchange transactions and not as contributions. Therefore, revenue is recognized as earned and expenses reported as incurred.

CASA received pass-through funds from Texas CASA, Inc. which were approximately 22% and 25% of revenues for the years ending December 31, 2012 and 2011, respectively. The amounts from the originating agencies for the years ending December 31 were:

	2012	2011
State of Texas Crime Victim's Compensation Fund	\$ 414,164	\$ 361,262
Criminal Justice Department Victim of Crime Act	198,975	192,979
	<u>\$ 613,139</u>	<u>\$ 554,241</u>

Income Tax Status

CASA is exempt under Section 501(c)(3) of the Internal Revenue Code from Federal Income Tax on income arising from its exempt purpose. CASA is also exempt from state income taxes in the state of Texas under Sections 151.310, 156.102, and 171.062 of the Texas Tax Code. Therefore, no provision for income taxes is included in the financial statements. Provisions for income taxes on unrelated business income are made when required for income from non-exempt activities and paid during the year.

COURT APPOINTED SPECIAL ADVOCATES OF TRAVIS COUNTY  
NOTES TO FINANCIAL STATEMENTS

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

CASA has adopted Financial Accounting Standards Board Codification (FASB ASC) 740-10, Accounting for Uncertainty in Income Taxes. That standard prescribes a minimum recognition threshold and measurement methodology that a tax position taken or expected to be taken in a tax return is required to meet before being recognized in financial statements. It also provides guidance for de-recognition, classification, interest, and penalties, accounting in interim periods, disclosures, and transition.

CASA believes that it has appropriate support for any income tax position taken. Therefore, management has not identified any uncertain income tax positions. At a minimum, the December 31, 2009 through 2012 tax years are open for examination by taxing authorities.

Subsequent Events

Management has evaluated all subsequent events for disclosure and/or recognition through the date of the Independent Auditors' Report, which is the date the financial statements were available to be issued.

**NOTE B - PLEDGE RECEIVABLES**

CASA received pledges, or promises to give, of donations related to its operations. Promises to be received after 2012 are discounted at 0.29% to 0.38% per year.

	2012	2011
Amounts due in:		
Less than one year	\$ 122,050	\$ 11,190
One to five years	132,500	-
Total unconditional promises to give	254,550	11,190
Less discount to net present value	(4,346)	-
Less allowance for uncollectible pledges	-	-
Net unconditional promises to give	\$ 250,204	\$ 11,190

Unconditional promises to give are presented on the statement of financial position as follows:

	2012	2011
Current asset		
Pledge receivables	\$ 122,050	\$ 11,190
Long-term asset		
Pledge receivables, net	128,154	-
	\$ 250,204	\$ 11,190



COURT APPOINTED SPECIAL ADVOCATES OF TRAVIS COUNTY  
NOTES TO FINANCIAL STATEMENTS

**NOTE C - PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following at December 31:

	2012	2011
Furniture & fixtures	\$ 20,320	\$ 20,979
Computer equipment	6,916	13,984
Leasehold improvements	10,295	7,911
Software	15,916	15,916
	53,447	58,790
Less accumulated depreciation	(29,233)	(38,699)
	\$ 24,214	\$ 20,091

Depreciation expense was \$5,170 and \$5,947 for the years ended December 31, 2012 and 2011, respectively.

**NOTE D- INVESTMENTS**

Investments consisted of the following at December 31:

	2012	2011
Municipal bond	\$ -	\$ 10,007

The following is a summary of fair market value at December 31:

	2012	2011
Fair market value, beginning of year	\$ 10,007	\$ 17,595
Realized gain (loss) on investments	207	(66)
Transfers to money market	(10,214)	(9,542)
Unrealized gain on investments	-	2,020
	\$ -	\$ 10,007

COURT APPOINTED SPECIAL ADVOCATES OF TRAVIS COUNTY  
NOTES TO FINANCIAL STATEMENTS

**NOTE D- INVESTMENTS - continued**

The following is a summary of investment income during the year ended December 31:

	2012	2011
Interest income	\$ 318	\$ 843
Realized gains and losses	207	(66)
Unrealized gains and losses	-	2,020
Net investment income	\$ 525	\$ 2,797

Investment income increases or decreases unrestricted net assets unless otherwise required. The above investment income is represented net of related transaction fees, the amount of which is immaterial to the financial statements.

**NOTE E - FAIR VALUE MEASUREMENT OF INVESTMENTS**

Investments, which consist of municipal bond, are stated at fair market value and summarized as follows:

The following table sets forth by level, within the fair value hierarchy, assets at fair value as of December 31, 2012:

Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments:			
Municipal Bond	\$ -	\$ -	\$ -
Total Investments	\$ -	\$ -	\$ -

The following table sets forth by level, within the fair value hierarchy, assets at fair value as of December 31, 2011:

Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments:			
Municipal Bond	\$ 10,007	\$ -	\$ -
Total Investments	\$ 10,007	\$ -	\$ -

COURT APPOINTED SPECIAL ADVOCATES OF TRAVIS COUNTY  
NOTES TO FINANCIAL STATEMENTS

**NOTE F - IN-KIND CONTRIBUTIONS**

CASA received the following non-cash donations of goods and services that are reported as unrestricted support in the financial statements. The programs benefiting from the contributed goods and services are the following:

The following is a summary of in-kind contributions during the year ended December 31:

	<u>2012</u>	<u>2011</u>
Event direct expenses	\$ 9,687	\$ 22,215
Printing	2,114	2,000
Marketing	-	3,000
Other expenses	-	722
	<u>\$ 11,801</u>	<u>\$ 27,937</u>

In addition, hours, for which no value has been assigned, were volunteered by individuals for the following:

	<u>2012</u>	<u>2011</u>
Volunteer hours	34,776	42,150
Economic value	\$ 757,769	\$ 899,903
Volunteer miles driven	336,720	331,580
Economic value	\$ 186,880	\$ 184,027

In accordance with FASB ASC 958-605-25-16, Not-for-Profit Entities - Revenue Recognition - Recognition - Contributed Services, the value of these donated services is not recorded in the accompanying financial statements.

COURT APPOINTED SPECIAL ADVOCATES OF TRAVIS COUNTY  
NOTES TO FINANCIAL STATEMENTS

**NOTE G - TEMPORARILY RESTRICTED NET ASSETS**

Net assets are released from donor restrictions by incurring expenses satisfying the restricted purposes, by occurrence of events specified by the donors, by the passage of time, or by the change of restrictions specified by the donors. Net assets released during the years ended December 31 are as follows:

	<u>2012</u>	<u>2011</u>
Life insurance payment	\$ -	\$ 7,500
Capital campaign	5,000	60,018
Other Donor Restricted Purposes	-	25,000
	<u>\$ 5,000</u>	<u>\$ 92,518</u>

The following is a detail of the temporarily restricted net assets at December 31:

<u>Funding Source</u>	<u>Restrictions</u>	<u>2012</u>	<u>2011</u>
Capital Campaign	Capital purchases	\$ 7,347	\$ 12,346
Pledges	Future expenses	254,550	-
Low Foundation	Program expenses	24,000	-
Total		<u>\$ 285,897</u>	<u>\$ 12,346</u>

**NOTE H - FUTURE COMMITMENTS**

CASA is obligated for various equipment and office space under operating leases.

Future minimum lease payments for items under operating leases are as follows:

Year ending December 31,	
2013	\$ 157,829
2014	162,916
2015	166,976
2016	168,470
2017	125,024
Total Future Minimum Lease Payments	<u>\$ 781,215</u>

Rental expense totaled \$149,838 and \$118,743 for the years ended December 31, 2012 and 2011, respectively.

COURT APPOINTED SPECIAL ADVOCATES OF TRAVIS COUNTY  
NOTES TO FINANCIAL STATEMENTS

**NOTE I - CONTINGENCIES**

CASA participates in various federal and state financial assistance programs. These programs are subject to financial and compliance audits by the grantors or their representatives and regulatory authorities. The purpose of the audits is to ensure compliance with conditions relating to the granting of funds and other reimbursement regulations. Management believes that any liability for reimbursement which could arise as the result of these audits would not be material to the financial position of CASA.

**NOTE J- BOARD DESIGNATION**

The Board has established a reserve to cover any revenue shortfalls that may occur due to grant delays or fundraising receipts do not meet budgeted expenditures. The reserve target is three months of budgeted operating expenses.

Balance at December 31, 2011	\$ 563,057
Additional funds designated by the board	136,952
Balance at December 31, 2012	<u>\$ 700,009</u>

**NOTE K - EMPLOYEE BENEFIT PLAN**

CASA has a defined contribution plan (Simplified Employee Pension) covering eligible employees. Eligible employees are at least 21 years of age and have provided one year of service. Under the plan, CASA contributes five percent (5%) of each eligible employee's salary. Contribution expenses incurred by CASA for the years ended December 31, 2012 and 2011 were \$189,653, of which \$130,000 relates to additional contributions for prior years eligible employees, and \$54,730, respectively.

SUPPLEMENTAL INFORMATION

COURT APPOINTED SPECIAL ADVOCATES OF TRAVIS COUNTY  
STATEMENT OF REVENUES AND EXPENSES  
VICTIMS OF CRIME ACT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2012

Grant Name: Victims of Crime Act Fund  
Grantor Name: Texas Criminal Justice Division

REVENUE	\$ 198,975
EXPENSES	
Salary and benefits	168,168
Operating expenses	30,807
TOTAL EXPENSES	<u>198,975</u>
Excess of revenues over expenses	<u><u>\$ -</u></u>

See independent auditors' report.

COURT APPOINTED SPECIAL ADVOCATES OF TRAVIS COUNTY  
STATEMENT OF REVENUES AND EXPENSES  
TEXAS COURT APPOINTED SPECIAL ADVOCATES GRANT  
FOR THE YEAR ENDED DECEMBER 31, 2012

Grant Name: Crime Victim's Compensation

Grantor Name: Texas CASA

REVENUE	\$ 414,164
EXPENSES	
Salary and benefits	292,741
Operating expenses	121,423
TOTAL EXPENSES	<u>414,164</u>
Excess of revenues over expenses	<u><u>\$ -</u></u>

See independent auditors' report.