



# SCHAAP, STERNHAGEN & CO. CPA'S, P.C.

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## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Directors  
Southeast CASA Program  
Yankton, SD 57078

We have reviewed the accompanying financial statements of Southeast CASA Program (a nonprofit organization) which comprise the statement of assets, liabilities and net assets-modified cash basis as of December 31, 2016, and the related statement of revenues, expenses and changes in net assets-modified cash basis for the year 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 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 the financial statements in accordance with the modified cash basis of accounting; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible for 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.

### Accountant's Responsibility

Our responsibility is to conduct the review engagement 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 the modified cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### Accountant's Conclusion

Based on our review, 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 the modified cash basis of accounting.

### Basis of Accounting

We draw attention to Note A of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

### Supplementary Information

The supplementary information included in Schedule I is presented for purposes of additional analysis and is not a required part of the basic 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. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

  
Schaap, Sternhagen & Co. CPA's, P.C.  
Yankton, South Dakota  
November 7, 2017

SOUTHEAST CASA PROGRAM  
 STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS-MODIFIED CASH BASIS  
 DECEMBER 31, 2016

	<u>2016</u>	<u>2015</u>
ASSETS		
CURRENT ASSETS		
CASH AND CASH EQUIVALENTS		
Cash in Checking	\$ 59,949	\$ 50,018
Cash in Reserve Savings	<u>50,144</u>	<u>39,729</u>
Total Current Assets	<u>110,093</u>	<u>89,747</u>
PROPERTY AND EQUIPMENT		
Furniture and Equipment	1,742	1,742
Less: Accumulated Depreciation	<u>1,742</u>	<u>1,642</u>
Total Fixed Assets	<u>-</u>	<u>100</u>
TOTAL ASSETS	<u>\$ 110,093</u>	<u>\$ 89,847</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Payroll Taxes Payable	<u>\$ 2,266</u>	<u>\$ 1,194</u>
TOTAL CURRENT LIABILITIES	2,266	1,194
NET ASSETS		
Unrestricted Net Assets	88,653	79,773
Unrestricted Net Income	<u>19,174</u>	<u>8,880</u>
TOTAL NET ASSETS	<u>107,827</u>	<u>88,653</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 110,093</u>	<u>\$ 89,847</u>

See accompanying notes and independent accountant's review report.

SOUTHEAST CASA PROGRAM

STATEMENTS OF REVENUE, EXPENSES AND CHANGE IN NET ASSETS-MODIFIED CASH BASIS

YEAR ENDED DECEMBER 31, 2016

	2016		2016		2015		2015	
	Unrestricted	Restricted	Unrestricted	Total	Unrestricted	Restricted	Total	Total
<b>REVENUES</b>								
Contributions								
Community Organizations	\$ 5,164	\$ -	\$ 5,164	\$ 5,164	\$ 2,700	\$ -	\$ 2,700	\$ 2,700
Individuals Donations	12,219	-	12,219	12,219	4,029	-	4,029	4,029
Kappa Alpha Theta	5,450	-	5,450	5,450	6,073	-	6,073	6,073
Local Businesses and Churches	9,578	-	9,578	9,578	6,151	-	6,151	6,151
Golf Ball Drop	-	-	-	-	5,302	-	5,302	5,302
Superhero Fun Run	-	-	-	-	2,029	-	2,029	2,029
Holiday Cheer for CASA	-	-	-	-	2,775	-	2,775	2,775
Reverse Your Luck Event	24,222	-	24,222	24,222	22,181	-	22,181	22,181
United Way of Greater Yankton	8,500	-	8,500	8,500	7,500	-	7,500	7,500
	<u>65,133</u>	<u>-</u>	<u>65,133</u>	<u>65,133</u>	<u>58,740</u>	<u>-</u>	<u>58,740</u>	<u>58,740</u>
Grants								
SD CASA Commission	25,000	-	25,000	25,000	12,000	-	12,000	12,000
SD Courts Improvement Prig.	20,088	-	20,088	20,088	17,908	-	17,908	17,908
VOCA Grant Income	-	16,435	16,435	16,435	-	10,037	10,037	10,037
	<u>45,088</u>	<u>16,435</u>	<u>61,523</u>	<u>61,523</u>	<u>29,908</u>	<u>10,037</u>	<u>39,945</u>	<u>39,945</u>
Other Income								
Interest Income	50	-	50	50	18	-	18	18
Net assets released from restrictions	16,435	(16,435)	-	-	10,037	(10,037)	-	-
<b>TOTAL SUPPORT AND REVENUES</b>	<u>126,706</u>	<u>-</u>	<u>126,706</u>	<u>126,706</u>	<u>98,703</u>	<u>-</u>	<u>98,703</u>	<u>98,703</u>
<b>EXPENSES</b>								
Program Expenses	91,369	-	91,369	91,369	78,184	-	78,184	78,184
VOCA Expenses	16,163	-	16,163	16,163	11,639	-	11,639	11,639
	<u>107,532</u>	<u>-</u>	<u>107,532</u>	<u>107,532</u>	<u>89,823</u>	<u>-</u>	<u>89,823</u>	<u>89,823</u>
<b>TOTAL EXPENSES</b>	<u>107,532</u>	<u>-</u>	<u>107,532</u>	<u>107,532</u>	<u>89,823</u>	<u>-</u>	<u>89,823</u>	<u>89,823</u>
<b>CHANGE IN NET ASSETS</b>	19,174	-	19,174	19,174	8,880	-	8,880	8,880
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>88,653</u>	<u>-</u>	<u>88,653</u>	<u>88,653</u>	<u>79,773</u>	<u>-</u>	<u>79,773</u>	<u>79,773</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 107,827</u>	<u>\$ -</u>	<u>\$ 107,827</u>	<u>\$ 107,827</u>	<u>\$ 88,653</u>	<u>\$ -</u>	<u>\$ 88,653</u>	<u>\$ 88,653</u>

See accompanying notes and independent accountant's review report.

## NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### **Organization and Nature of Activities**

Southeast CASA (Court Appointed Special Advocate) Program (the Organization) is a voluntary not-for-profit corporation organized to promote and protect the best interests of children involved in court proceedings through the advocacy efforts of trained volunteers. The Organization recruits, screens and trains CASA volunteers to ensure that a child's interests are represented in court at every stage of an abuse and neglect proceeding.

### **Basis of Accounting**

The Organization's policy is to prepare its financial statements on the modified cash basis of accounting; consequently, contributions and other revenues are recognized when received rather than when promised or earned, and certain expenses and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred.

### **Cash and Cash Equivalents**

For the purposes of reporting cash, the Organization considers all cash accounts, which are not subject to withdrawal restrictions or penalties, and all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

### **Investments**

Investments in equity securities that have readily determinable fair values and all investments in debt securities are reported at fair values in the statement of assets, liabilities and net assets. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized. Short-term investments consist of debt securities with original maturities of twelve months or less. Long-term investments consist of debt securities with original maturities greater than twelve months.

### **Public Support and Revenue**

Gifts of cash and other assets are presented as restricted support if they are received with donor stipulation that limit the use of the donated assets. When a donor 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 on the in the statement of support, revenue and expenses-modified cash basis as net assets released from restrictions.

### **Property and Equipment**

The Organization capitalizes property and equipment over \$500. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line and accelerated methods based on the estimated useful lives of the assets.

**NOTE A—CONTINUED**

**Contributed Services**

No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization but these services do not meet the criteria for recognition as contributed services. The Organization receives approximately 1,000 volunteer hours per year.

**Contributions-In Kind and Contributed Nonmonetary Assets**

In-kind contributions are reflected at their fair value at date of donation. The organization reports gifts of equipment and other nonmonetary contributions as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how and how long the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as temporarily restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. The Organization received in-kind contributions of \$6,725 in 2016 and \$6,725 in 2016.

**Contributions**

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted net assets depending on the existence or nature of any donor restrictions.

**Net Asset Classification**

Net assets are classified based on the existence or absence of donor-imposed restrictions. The Organization's net assets and changes therein are classified into the following three categories.

**Unrestricted net assets** represent expendable funds that are available for support to the Organization's operations. Certain of these amounts have been designated by the board of directors to be utilized for various purposes

**Temporarily restricted net assets** consist of contributions that have been restricted by the donor for specific purposes or are not available for use until a specific time.

**Permanently restricted net assets** consist of contributions with donor restrictions that stipulate the resources be maintained permanently, but permit the Organization to use or expend part or all of the income derived from the donated assets for either specified or unspecified purposes.

Revenue is reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between applicable classes of net assets.

**Income Taxes**

The Organization is a not-for-profit organization that is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. The Organizations Forms 990, Return of Organization Exempt from Income Tax, for prior years and are subject to examination by the IRS, generally for three years after they were filed.

**NOTE A—CONTINUED**

**Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions that affect certain reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

**Date of Management’s Review**

Management has evaluated subsequent events through November 7, 2017, the date of which the financial statements were available to be issued.

**NOTE B—RESTRICTIONS ON NET ASSETS**

Restrictions on net assets related to funds raised for support for the following year are temporarily restricted by time. There were no funds raised in 2016 for the specific purpose of support for 2017 or in 2015 for the specific purpose of support for 2016.

**NOTE C—RESTRICTED SUPPORT**

The Organization received a VOCA Grants in 2016 and 2015 that were restrictive in nature. The grant revenue received is categorized as temporarily restricted by purpose. This grant is a reimbursement only grant. (Expenditures are made for an acceptable purpose and reimbursement is applied for periodically.) There are no restriction on net assets as of December 31, 2016 or 2015 as the restricted purpose is met prior to receipt of the grant support.

**NOTE D—DEPRECIATION EXPENSE**

Depreciation expense for 2016 was \$100 and 2015 was \$201.

**NOTE F - - FAIR VALUE OF FINANCIAL INSTRUMENTS**

The company has a number of financial instruments, none of which are held for trading purposes. The company estimates that the fair value of all financial instruments at December 31, 2016 and 2015 do not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The estimates are not necessarily indicative of the amounts that the company could realize in a current market exchange.

The estimated fair values of the company’s financial instruments as of December 31, 2016 and 2015 are as follows:

	<u>2016</u> Carrying Amount	<u>2016</u> Fair Value	<u>2015</u> Carrying Amount	<u>2015</u> Fair Value
Assets:				
Cash and equivalents	\$110,093	\$110,093	\$89,847	\$89,847

**NOTE G - SUBSEQUENT EVENT- LEASE**

A twelve-month lease was signed on October 13, 2017 for suites 8 and 11 located at 327 Broadway, Yankton, with a monthly obligation of \$370. The original Vermillion office lease has expired and is month to month. The lease commitment for December 31, 2017 is \$1,110.