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STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

April 26, 2018

Board of Directors
Court Appointed Advocates for Children, Inc.
d/b/a Advocates for Children
P.O. Box 2107
Columbus, IN 47202

We have reviewed the report prepared by Court Appointed Advocates for Children, Inc. d/b/a Advocates for Children and opined upon by Agresta, Storms & O'Leary, PC, Independent Public Accountants, for the period January 1, 2016 to December 31, 2016. Per the *Independent Auditors' Report* the financial statements included in the report present fairly the financial condition of Court Appointed Advocates for Children, Inc. d/b/a Advocates for Children as of December 31, 2016 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Agresta, Storms & O'Leary, PC prepared all required independent auditor's reports in accordance with generally accepted auditing standards and guidelines established by the State Board of Accounts.

The report is filed with this letter in our office as a matter of public record.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

**COURT APPOINTED ADVOCATES
FOR CHILDREN, INC.**

FINANCIAL STATEMENTS

**DECEMBER 31, 2016
WITH SUMMARIZED COMPARATIVE FINANCIAL
INFORMATION AS OF AND FOR THE YEAR
ENDED DECEMBER 31, 2015**

COURT APPOINTED ADVOCATES FOR CHILDREN, INC.

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Independent Auditors' Report

To the Board of Directors of
COURT APPOINTED ADVOCATES FOR CHILDREN, INC.
Columbus, Indiana

Report on the Financial Statements

We have audited the accompanying financial statements of Court Appointed Advocates for Children, Inc. (an Indiana not-for-profit corporation) (the Organization), which comprise the statement of financial position as of December 31, 2016, 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.

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 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 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.

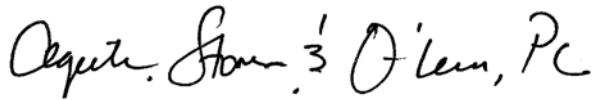
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Court Appointed Advocates for Children, Inc. as of December 31, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Court Appointed Advocates for Children, Inc.'s December 31, 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 25, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink that reads "Robert J. O'Leary, PC". The signature is written in a cursive style with a large initial 'R' and 'J'.

Columbus, Indiana
September 11, 2017

COURT APPOINTED ADVOCATES FOR CHILDREN, INC.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2016 WITH SUMMARIZED COMPARATIVE
FINANCIAL INFORMATION AS OF DECEMBER 31, 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 90,362	\$ 91,430
Grants receivable	53,367	25,961
Investments	58,282	51,693
Prepaid expenses	3,202	4,209
Total current assets	205,213	173,293
Property and equipment, net	36,714	17,203
Capital projects in process	-0-	25,564
Total assets	<u>\$ 241,927</u>	<u>\$ 216,060</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 17,948	\$ 8,168
Deferred revenue	-0-	5,000
Accrued expenses	19,860	10,351
Total current liabilities	<u>37,808</u>	<u>23,519</u>
Net assets:		
Unrestricted	157,423	139,575
Temporarily restricted	46,696	52,966
Total net assets	<u>204,119</u>	<u>192,541</u>
Total liabilities and net assets	<u>\$ 241,927</u>	<u>\$ 216,060</u>

See accompanying Notes to Financial Statements.

COURT APPOINTED ADVOCATES FOR CHILDREN, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31, 2016 WITH SUMMARIZED COMPARATIVE FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2015

	Year Ended December 31, 2016			Year Ended December 31, 2015
	Unrestricted	Temporarily Restricted	Total	
Revenues:				
Public support and revenue:				
Corporate and individual giving	\$ 36,666	\$ -0-	\$ 36,666	\$ 38,267
Grants and foundations	211,616	46,696	258,312	166,852
United Way and United Fund	181,692	-0-	181,692	143,750
County courts appropriations	114,214	-0-	114,214	114,109
State match of county courts	129,121	-0-	129,121	92,726
Gifts in kind	11,956	-0-	11,956	13,740
Net assets released from restrictions:				
Satisfaction of program restrictions	52,966	(52,966)	-0-	-0-
Total public support and revenue	738,231	(6,270)	731,961	569,444
Fundraising events:				
Crooners for CASA	50,328	-0-	50,328	43,815
Night of 1000 Jacks	8,091	-0-	8,091	14,954
Other	1,269	-0-	1,269	1,249
Total fundraising events	59,688	-0-	59,688	60,018
Other:				
Investment income	33	-0-	33	42
Unrealized gain on investments	6,588	-0-	6,588	(2,320)
Total other revenues	6,621	-0-	6,621	(2,278)
Total revenues	804,540	(6,270)	798,270	627,184
Expenses:				
Program services:				
Direct service	648,271	-0-	648,271	452,027
Supporting services:				
Management and general	52,310	-0-	52,310	62,803
Fundraising	86,111	-0-	86,111	84,541
Total supporting services	138,421	-0-	138,421	147,344
Total expenses	786,692	-0-	786,692	599,371
Change in net assets	17,848	(6,270)	11,578	27,813
Net assets, beginning of year	139,575	52,966	192,541	164,728
Net assets, end of year	\$ 157,423	\$ 46,696	\$ 204,119	\$ 192,541

See accompanying Notes to Financial Statements.

COURT APPOINTED ADVOCATES FOR CHILDREN, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2016 WITH SUMMARIZED COMPARATIVE FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2015

	Year Ended December 31, 2016					Year Ended December 31, 2015
	Program Services	Supporting Services			Total	
	Direct Service	Management and General	Fundraising	Total Supporting Services		
Salaries and wages	\$ 461,320	\$ 32,564	\$ 48,846	\$ 81,410	\$ 542,730	\$ 394,287
Payroll taxes	35,944	2,537	3,806	6,343	42,287	30,915
Employee benefits	60,633	4,280	6,420	10,700	71,333	41,527
	557,897	39,381	59,072	98,453	656,350	466,729
Fundraising events:						
Crooners for CASA	-0-	-0-	16,040	16,040	16,040	16,358
Night of 1000 Jacks	-0-	-0-	2,572	2,572	2,572	7,453
Other	-0-	-0-	3,299	3,299	3,299	2,849
	-0-	-0-	21,911	21,911	21,911	26,660
Office and other overhead	43,228	3,051	4,577	7,628	50,856	53,701
Travel	21,441	663	-0-	663	22,104	14,488
Professional fees	-0-	8,847	-0-	8,847	8,847	13,940
Assistance to individuals	9,293	-0-	-0-	-0-	9,293	11,180
Depreciation	5,205	367	551	918	6,123	5,748
Public relations	7,230	-0-	-0-	-0-	7,230	4,695
Training	2,335	-0-	-0-	-0-	2,335	1,513
Volunteer recognition	1,643	-0-	-0-	-0-	1,643	717
Total	\$ 648,271	\$ 52,310	\$ 86,111	\$ 138,421	\$ 786,692	\$ 599,371

See accompanying Notes to Financial Statements.

COURT APPOINTED ADVOCATES FOR CHILDREN, INC.

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2016 WITH SUMMARIZED COMPARATIVE FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Change in net assets	\$ 11,578	\$ 27,813
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	6,123	5,748
Unrealized (gain) loss on investments	(6,659)	2,320
Changes in operating assets and liabilities:		
Grants receivable	(27,406)	(14,597)
Prepaid expenses	1,007	(3,409)
Deferred revenues	(5,000)	5,000
Accounts payable and accrued expenses	<u>19,289</u>	<u>10,969</u>
Net cash provided by (used in) operating activities	<u>(1,068)</u>	<u>33,844</u>
Net increase (decrease) in cash and cash equivalents	(1,068)	33,844
Cash and cash equivalents, beginning of year	<u>91,430</u>	<u>57,586</u>
Cash and cash equivalents, end of year	<u><u>\$ 90,362</u></u>	<u><u>\$ 91,430</u></u>

Noncash investing activities:

The Organization capitalized \$25,564 of capital projects in process during the year ended December 31, 2016.

COURT APPOINTED ADVOCATES FOR CHILDREN, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016 WITH SUMMARIZED COMPARATIVE FINANCIAL INFORMATION AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2015

1. NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

DESCRIPTION OF ENTITY

Court Appointed Advocates for Children, Inc. (the Organization) was formed in 1982 as the Bartholomew County Youth Advocacy Commission. The Organization was incorporated in the State of Indiana in April 1989 as a not-for-profit corporation. In February 2004, the name was amended to Court Appointed Advocates for Children, Inc. The Organization's mission is to provide advocacy for abused or neglected children in south central Indiana in legal proceedings to ensure that they are given safe, permanent homes. The Organization achieves this mission by providing trained volunteers or staff advocates to represent the children in court proceedings.

FINANCIAL STATEMENT PRESENTATION

The financial statements follow certain provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Financial Statements of Not-for-Profit Organizations*. This statement established standards for external financial reporting for not-for-profit organizations.

ASC 958 primarily affects the display of financial statements and requires that the amounts for each of three classes of net assets – unrestricted, temporarily restricted, and permanently restricted – be displayed in an aggregate statement of financial position and the amounts of change in each of those classes be displayed in a statement of changes in net assets. The three net asset accounts used include the following:

Unrestricted Net Assets—Funds that have not been restricted in any manner by the donors are referred to as unrestricted net assets and are available for general Organization purposes. At December 31, 2016 and 2015, the Organization had unrestricted net assets of \$157,422 and \$139,575, respectively.

Temporarily Restricted Net Assets—Temporarily restricted net assets are amounts received from donors or grantors who have specified the use of their gifts or grants for specific purposes. Temporarily restricted net assets are subject to donor-imposed restrictions that will be met by future actions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, restricted net assets are reclassified to unrestricted net assets. If a donor-stipulated restriction is met in the same year the gift is received, it is recorded as unrestricted support. At December 31, 2016 and 2015, the Organization had temporarily restricted net assets of \$46,696 and \$52,966, respectively.

Permanently Restricted Net Assets—Permanently restricted net assets are amounts received wherein the donors have stipulated that the principal be invested and maintained intact in perpetuity. At December 31, 2016 and 2015, the Organization had no permanently restricted net assets.

PUBLIC SUPPORT AND REVENUE RECOGNITION

Corporate, foundation, and individual contributions are considered unconditional promises to give (pledges) and are recognized as revenues in the period received or promised. Conditional contributions are recorded when the conditions have been met. Contributions are considered to be unrestricted unless specifically restricted by the donor.

COURT APPOINTED ADVOCATES FOR CHILDREN, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016 WITH SUMMARIZED COMPARATIVE FINANCIAL INFORMATION AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2015

Significant revenues are generated from county and state-appropriated funds for court-appointed special advocate services to be provided by the Organization to the respective county. Other sources of revenue are received from various eligible grant awards, and corporate, foundation and individual contributions, including contributions from other not-for-profit organizations.

The Organization reports contributions in the temporarily or permanently restricted net asset class if they received with donor stipulations as to their use. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are released and reclassified to unrestricted net assets in the statement of activities and changes in net assets. Donor-restricted contributions that are received and utilized in the same reporting period are recorded as unrestricted net assets.

Gains and losses on other assets and liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts in the financial statements and notes to the financial statements. Actual results could differ from those estimates.

STATEMENT OF CASH FLOWS

For the purposes of the statement of cash flows, the Organization considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

INVESTMENTS

The Organization carries its investments at fair market value as required by ASC 820, *Fair Value Measurement*. Interest and dividends are reported in the period earned or accrued. Realized and unrealized gains and losses are included in the statement of activities and changes in net assets in the period recognized.

PROPERTY AND EQUIPMENT

Purchases of property and equipment having a cost in excess of \$1,000 and a useful life of three or more years are capitalized at cost. Donated assets are capitalized at the estimated fair value at date of receipt. Any gain or loss on the sale or disposal of property or equipment is reported as other activity on the statement of activities and changes in net assets. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

<u>Description</u>	<u>Lives</u>
Furniture and equipment	7 years
Computer equipment	5 years
Leasehold improvements	39 years

COURT APPOINTED ADVOCATES FOR CHILDREN, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016 WITH SUMMARIZED COMPARATIVE FINANCIAL INFORMATION AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2015

GIFTS IN KIND

Gifts in kind consist of contributed services and donated assets and materials. Contributed services are to be reported at fair value in the financial statements for voluntary donations of services when those services either (1) create or enhance nonfinancial assets or (2) require specialized skills provided by individuals possessing those skills and are services which would be typically purchased if not provided by donation. Donated materials are recorded at their fair value at the date of the gift. The Organization does not imply time restrictions for gifts of long-lived assets. As a result, in the absence of donor-imposed restrictions, gifts of long-lived assets are reported as unrestricted revenue.

During the years ended December 31, 2016 and 2015, the value of contributed services and materials meeting the requirements for recognition in the financial statements was \$11,956 and \$13,740, respectively. These donations were provided to cover travel, advertising and printing expenses.

In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization; however, these services do not meet the criteria for recognition as contributed services.

INCOME TAXES

The Organization is organized as a not-for-profit corporation and, accordingly, is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code, except for amounts representing unrelated business income. There was no unrelated business income for the years ended December 31, 2016 and 2015.

The Organization files income tax returns in the U.S. federal jurisdiction and one state. The Organization is no longer subject to U.S. federal or state income tax examinations by tax authorities for the years before the year ended December 31, 2013. As of and for the year ended December 31, 2016, the tax authorities have not proposed any adjustments to the Organization that would result in a material change to the Organization's financial position. No interest or penalties have been recorded in these financial statements. GAAP requires an entity to recognize the financial statement impact of a tax benefit position when it is more likely than not that the position will be sustained upon examination. The Organization does not believe it is taking any uncertain tax benefit positions.

FUNCTIONAL EXPENSES

The allocation of the costs of providing the Organization's various programs has been summarized on a functional basis in the accompanying statement of functional expenses. Accordingly, certain indirect costs have been allocated to program services, supporting services, and development based on management's estimates of resources devoted to these activities.

COURT APPOINTED ADVOCATES FOR CHILDREN, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016 WITH SUMMARIZED COMPARATIVE FINANCIAL INFORMATION AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2015

2. GRANTS RECEIVABLE/CONCENTRATIONS

The Organization anticipates collection of all outstanding grants receivable and, therefore, has established no allowance for uncollectible amounts. No grants receivable were written off during the years ended December 31, 2016 and 2015. Grants receivable at December 31, 2016 and 2015 consist of \$53,367 and \$21,886, respectively, from the Indiana Criminal Justice Institute, VOCA Grant. This represented 100% and 84% of grants receivable at December 31, 2016 and 2015, respectively.

Major funding is defined as individual contributors or sources that represent greater than 10% of total operating revenues. The Organization received major funding for the years ended December 31, 2016 and 2015 from the following:

	<u>2016</u>	<u>2015</u>
Indiana Criminal Justice Institute, VOCA	\$ 183,542	\$ 52,481
United Way of Bartholomew County, Inc.	133,900	107,500
State of Indiana, CASA matching funds	<u>129,121</u>	<u>92,726</u>
Total	<u>\$ 446,563</u>	<u>\$ 252,707</u>

In 2016 and 2015, these contributions represented approximately 61% and 44%, respectively, of the Organization's total public support and revenues.

3. PROPERTY AND EQUIPMENT, NET

The cost and accumulated depreciation of property and equipment consisted of the following at December 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Furniture and equipment	\$ 21,789	\$ 21,667
Computer equipment	44,699	22,671
Leasehold improvements	<u>11,143</u>	<u>11,143</u>
	77,631	55,481
Accumulated depreciation	<u>(40,917)</u>	<u>(38,278)</u>
Property and equipment, net	<u>\$ 36,714</u>	<u>\$ 17,203</u>

Depreciation expense was \$6,123 and \$5,748 for the years ended December 31, 2016 and 2015, respectively. The Organization has assessed property and equipment for impairment and determined there has been none during the years ended December 31, 2016 and 2015.

COURT APPOINTED ADVOCATES FOR CHILDREN, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016 WITH SUMMARIZED COMPARATIVE FINANCIAL INFORMATION AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2015

4. ENDOWMENT FUND

In July 2009, the Board of Directors, by written agreement, voted to establish an advised agency endowment fund to be known as Advocates for Children Fund (Fund) to be administered and controlled by the Jennings County Community Foundation, Inc. (Community Foundation). All contributions (including gifts and bequests) are made as irrevocable transfers to Community Foundation, and it has been granted absolute power to invest and retain all such funds. The Fund is a component part of the Community Foundation, and all monies and property in the Fund are held as general assets of the Community Foundation and not segregated as trust property of a separate trust. Therefore, assets contributed to the Fund are considered assets of the Foundation and are not reported on the Organization's financial statements.

On an annual basis, the Community Foundation may distribute prior year Fund allocated earnings to the Organization upon request, when the total Fund balance exceeds a prescribed minimum. This would be recognized as unrestricted public support and revenue by the Organization. There were distributions in the amount of \$272 and \$304 for the years ended December 31, 2016 and 2015. Community Foundation may receive contributions to the Fund from individual donors. There were no contributions to the Fund for the year ended December 31, 2016. Community Foundation's total recorded value of the Fund was \$5,438 and \$5,399 at December 31, 2016 and 2015, and this amount is not reported in the Organization's financial statements.

5. INVESTMENTS

Investments are recorded at market and, along with components of investment return, are summarized as follows:

	<u>Cost</u>	<u>Market</u>
Mutual funds:		
December 31, 2016	\$ 50,194	\$ 50,279
December 31, 2015	\$ 47,704	\$ 43,691
Money market funds:		
December 31, 2016	\$ 8,003	\$ 8,003
December 31, 2015	\$ 8,002	\$ 8,002

The components of total investment return were as follows:

	<u>December 31,</u>	
	<u>2016</u>	<u>2015</u>
Unrealized gain (loss) on investments	<u>\$ 6,659</u>	<u>\$ (2,320)</u>
Total investment return	<u>\$ 6,659</u>	<u>\$ (2,320)</u>

COURT APPOINTED ADVOCATES FOR CHILDREN, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016 WITH SUMMARIZED COMPARATIVE FINANCIAL INFORMATION AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2015

6. FAIR VALUE MEASUREMENTS

The Organization follows ASC 820 which defines fair value, establishes a framework for measuring fair value under generally accepted accounting principles and expands disclosures about fair value measurements. ASC 820 establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy requires the Organization to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of the inputs used to measure fair value are as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than quoted prices in Level 1, such as quoted prices for similar assets and liabilities in active markets, similar assets and liabilities in markets that are not active or can be corroborated by observable market data.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of and for the year ended December 31, 2016.

Mutual Funds—Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair value. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

COURT APPOINTED ADVOCATES FOR CHILDREN, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016 WITH SUMMARIZED COMPARATIVE FINANCIAL INFORMATION AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2015

The Organization's fair value for investments at December 31, 2016 and 2015 was determined as follows:

<u>Description</u>	<u>Total</u>	<u>Fair Value Measurement Inputs</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
2016				
Mutual funds:				
High yield	\$ 50,279	\$ 50,279	\$ -0-	\$ -0-
Money market	8,003	8,003	-0-	-0-
Total assets at fair value	<u>\$ 58,282</u>	<u>\$ 58,282</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
2015				
Mutual funds:				
High yield	\$ 43,691	\$ 43,691	\$ -0-	\$ -0-
Money market	8,002	8,002	-0-	-0-
Total assets at fair value	<u>\$ 51,693</u>	<u>\$ 51,693</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

7. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes at December 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Staffing	\$ 38,702	\$ 33,566
Initial training	5,000	9,500
Other activities	2,994	9,900
Total temporarily restricted net assets	<u>\$ 46,696</u>	<u>\$ 52,966</u>

8. RETIREMENT PLANS

The Organization maintains a 403(b) tax-deferred annuity pension plan (TDA) and a simplified employee pension plan (SEP) for employees who are at least 21 years of age and have two years of service. The 403(b) plan consists of employee contributions only. The Organization may contribute to the SEP plan, but employer contributions are not required. The Organization made SEP contributions of 5% and 3% of eligible employees' eligible compensation for the years ended December 31, 2016 and 2015, respectively. Total employer SEP contributions were \$15,584 and \$7,790, respectively, for the years ended December 31, 2016 and 2015, respectively.

COURT APPOINTED ADVOCATES FOR CHILDREN, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016 WITH SUMMARIZED COMPARATIVE FINANCIAL INFORMATION AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2015

9. LEASE

The Organization entered into an operating lease with United Way of Bartholomew County, Inc. for administrative office facilities. The lease is effective through September 2018, with monthly payments ranging from \$1,110 to \$1,185 over the term of the lease. Included in the lease payments are utilities, routine cleaning, outdoor maintenance, and snow removal.

Future minimum noncancelable lease obligations are as follows:

<u>Year ending December 31:</u>	
2017	\$ 13,950
2018	<u>10,655</u>
	<u>\$ 24,605</u>

Total rent expense (including other miscellaneous occupancy expenses) was \$14,272 and \$13,817 for the years ended December 31, 2016 and 2015, respectively.

10. SUBSEQUENT EVENTS

In accordance with ASC Topic 855, *Subsequent Events*, the Organization has evaluated subsequent events through September 11, 2017, which is the date these financial statements were available to be issued, and has determined that there are no subsequent events that require disclosure in the financial statements.