

CASA of Terrebonne, Inc.



Financial Statements

As of and for the Year Ended June 30, 2023

T.S. KEARNS & CO.


(A Professional Corporation)
164 West Main Street, Thibodaux, LA 70301
South end of Canal Boulevard
(985) 447-8507 Fax (985) 447-4833
www.kearnscpa.com

CASA OF TERREBONNE, INC.

Financial Statements
As of and for the year ended June 30, 2023

TABLE OF CONTENTS

	Statement	Page
Independent Auditors' Report		2
Financial Section		
Financial Statements:		
Statement of Financial Position	A	5
Statement of Activities	B	6
Statement of Functional Expenses	C	7
Statement of Cash Flows	D	8
Notes to the Financial Statements		9
Supplementary Information		
Schedule		
Schedule of CASA Assistance Program Grant Income and Expenditures	1	17
Schedule of Compensation, Benefits, and Other Payments To Agency Head or Chief Executive Officer	2	18
Other Information		
Schedule of Prior Year Findings		19
Schedule of Current Year Audit Findings And Management's Response		20
Special Reports of Certified Public Accountants		
Report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with <i>Governmental Auditing Standards</i>		21



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
CASA of Terrebonne, Inc.

We have audited the accompanying financial statements of CASA of Terrebonne, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CASA of Terrebonne, Inc. as of June 30, 2023, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CASA of Terrebonne, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibility of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CASA of Terrebonne, Inc's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 CASA of Terrebonne's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CASA of Terrebonne's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of CASA Assistance Program grant revenues and expenses and the schedule of compensation, benefits and other payments to agency

head are 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. The information has been subjected to the auditing procedures applied in the audit of 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2023, on our consideration of the CASA of Terrebonne's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the CASA of Terrebonne's internal control over financial reporting and compliance.



Thibodaux, Louisiana
October 24, 2023

Financial Section

CASA OF TERREBONNE, INC.
Statement of Financial Position
June 30, 2023

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 227,330
Grants receivable - CASA-AP	24,135
Prepaid expenses	2,464
TOTAL CURRENT ASSETS	<u>253,929</u>

PROPERTY AND EQUIPMENT:

Furniture, equipment & improvements	59,292
Financing right-of-use asset - office building	151,780
Financing right-of-use asset - copier	7,023
Accumulated depreciation	(50,299)
TOTAL PROPERTY & EQUIPMENT	<u>167,797</u>

OTHER ASSETS:

Investments, at fair value	463,118
Utility deposits	1,000
TOTAL OTHER ASSETS	<u>464,118</u>
TOTAL ASSETS	<u><u>\$ 885,843</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable	\$ 1,475
Accrued payroll and payroll liabilities	6,014
Compensated absences payable	15,069
Short term portion of long term ROU obligations	23,868
TOTAL CURRENT LIABILITIES	<u>46,427</u>

LONG TERM LIABILITIES:

Financing lease liability - office building	110,957
Financing lease liability - copier	5,450
TOTAL LONG TERM LIABILITIES	<u>116,407</u>

NET ASSETS:

With donor restrictions - volunteer recruitment & training	6,099
Without donor restrictions	716,911
TOTAL NET ASSETS	<u>723,009</u>
TOTAL LIABILITIES & NET ASSETS	<u><u>\$ 885,843</u></u>

The accompanying notes are an integral part of this statement.

CASA OF TERREBONNE, INC.
Statement of Activities
For the Year Ended June 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Totals</u>
REVENUES, GAINS AND OTHER SUPPORT:			
Fundraising	\$ 51,938		\$ 51,938
Donations	87,904		87,904
Investment income, net of unrealized losses	2,893		2,893
Other income	1,285		1,285
Grant income, private sources	5,400	\$ 28,900	34,300
Grant income, government sources	312,761		312,761
Satisfaction of restrictions	22,801	(22,801)	-
	<u>484,981</u>	<u>6,099</u>	<u>491,080</u>
EXPENSES:			
Program services:			
Court appointed special advocate	406,655		406,655
Support services:			
General and administrative	16,897		16,897
Fund-raising expense	4,529		4,529
	<u>21,426</u>		<u>21,426</u>
	<u>428,081</u>		<u>428,081</u>
INCREASE (DECREASE) IN NET ASSETS	56,900	6,099	62,999
NET ASSETS, beginning of year	<u>660,011</u>	<u>-</u>	<u>660,011</u>
NET ASSETS, end of year	<u>\$ 716,910</u>	<u>\$ 6,099</u>	<u>\$ 723,009</u>

The accompanying notes are an integral part of this statement.

CASA OF TERREBONNE, INC.
Statement of Functional Expenses
For the Year Ended June 30, 2023

	Program Services <u>Court</u> Appointed Special Advocates for Children	<u>Supporting Services</u>		
		Management and General	Fund- raising	Total Expenses
Compensation & related expenses:				
Salaries	\$ 222,890	\$ 4,549		\$ 227,439
Employee benefits				
Payroll taxes	17,944	366		18,310
Medical insurance	34,488	704		35,192
Retirement contribution	4,771	97		4,869
Workers comp. insurance	3,782	77		3,859
Total compensation & related expenses	<u>283,876</u>	<u>5,793</u>		<u>289,669</u>
Advertising	10,363			10,363
CASA Children expenses	1,740			1,740
Computer support & subscriptions	5,020	558		5,578
Depreciation expense	28,607	3,179		31,786
Dues & memberships	562	62		624
Fundraising expense			\$ 4,529	4,529
Insurance	13,902	1,545		15,447
Interest expense	6,662	740		7,402
Loss on disposal of capital assets	-	405		405
Office expense	4,341	482		4,823
Other expenses	1,982	220		2,202
Printing & copying	405	45		451
Professional fees	11,931	1,326		13,257
Repairs & maintenance	-	385		385
Scholarship awards	2,500			2,500
Staff & volunteer recognition	5,425	603		6,028
Supplies	5,802	645		6,447
Telephone	5,331	592		5,924
Training	7,120			7,120
Travel	8,238			8,238
Utilities	2,847	316		3,163
Totals	<u>\$ 406,655</u>	<u>\$ 16,897</u>	<u>\$ 4,529</u>	<u>\$ 428,081</u>

The accompanying notes are an integral part of this statement.

CASA OF TERREBONNE, INC.
Statement of Cash Flows
For the Year Ended June 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES:	
Increase in net assets	\$ 62,999
Adjustments to reconcile net assets to net cash provided by operating activities:	
Depreciation	31,786
(Increase) decrease in operating assets:	
Grants receivable	(285)
Prepaid expenses	(199)
Increase (decrease) in operating liabilities:	
Accounts payable	708
Payroll and payroll liabilities	2,627
Compensated absences payable	1,507
	<hr/>
Net cash provided (used) by operating activities	99,143
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of capital assets	(5,091)
Loss on disposition of assets	405
Redemption of certificates of deposit	185,826
Purchase of investments & certificates of deposit	(415,402)
Reinvested investment earnings less unrealized losses	(1,854)
	<hr/>
Net cash provided (used) by investing activities	(236,115)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Reduction in capital lease obligation	(759)
Reduction in financing lease obligations	(18,528)
	<hr/>
Net cash provided (used) by financing activities	(19,287)
Net increase (decrease) in cash and cash equivalents	<hr/> (156,259) <hr/>
CASH AND CASH EQUIVALENTS, beginning of year	383,590
CASH AND CASH EQUIVALENTS, end of year	<hr/> <u>\$ 227,330</u> <hr/>

The accompanying notes are an integral part of this statement.

CASA OF TERREBONNE, INC.
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE I SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed are described to enhance the usefulness of the financial statements to the reader.

A. NATURE OF OPERATIONS

CASA of Terrebonne, Inc. (the Organization) is a nonprofit corporation organized under the laws of Louisiana on July 10, 2000. The corporation was formed for the purpose of recruiting, training and supporting volunteer court appointed advocates to speak for the best interests of abused and neglected children in court. The Organization is a member of the National Court Appointed Special Advocate Association. Their mission is to be an independent and objective presence in the courts and to advocate for the best interests of abused, neglected, or dependent children involved in child-in-need care cases. The Organization promotes and supports trained community volunteers to represent children and help secure for each child a nurturing, safe, and permanent home. CASA of Terrebonne, Inc. serves the children of Terrebonne parish. A Board of Directors manages the operation of the Organization, and those Directors receive no compensation for their services. The Organization is primarily funded through grants from various organizations and agencies as well as contributions from private foundations, corporations, and individuals.

B. FINANCIAL STATEMENT PRESENTATION

The financial statements of the CASA of Terrebonne, Inc. have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains and losses are classified based on the existence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These assets may be used at the discretion of the Organization’s management and board of directors.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations that will be met, either (1) by incurring expenses satisfying the restricted purpose (purpose restricted), and/or passage of time or other events (time restricted), or (2) will never expire (perpetual in nature). When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

C. CASH AND CASH EQUIVALENTS

For purposes of the Statement of Cash Flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash

CASA OF TERREBONNE, INC.
Notes to the Financial Statements
For the Year Ended June 30, 2023

equivalents. There were no restricted cash equivalents at year-end.

D. RECEIVABLES

Receivables are stated at unpaid balances. CASA of Terrebonne considers grants receivable to be fully collectible since the balance consists principally of payments due under government contracts. Therefore, an allowance for doubtful accounts has not been recorded. If amounts due became uncollectible, they will be charged to operations when that determination is made.

E. INVESTMENTS

Investments consist of certificates of deposit, mutual funds, and exchange-traded funds which do not meet CASA's definition of cash equivalents. The investments are carried at their fair values in the statement of financial position. The Organization's investment income and unrealized gains and losses are included in the changes in net assets in the accompanying statement of activities.

F. PROPERTY AND EQUIPMENT

Property and equipment purchased with an original cost of \$1,000 or more are reported at historical cost. Donations of property and equipment are recorded as support at their estimated fair value as of the date received. Such donations are reported as unrestricted support unless the donor has restricted the donated asset 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 support. 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 as instructed by the donor. CASA of Terrebonne reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Property and equipment are depreciated using the straight-line method over their estimated useful lives as follows:

Equipment & furniture	5-7 years
Leasehold improvements	5-15 years

G. CONTRIBUTED FACILITIES AND SERVICES

Donated services are recognized as contributions in accordance with SFAS No. 116, "Accounting for Contributions Received and Contributions Made", if the services (a) create or enhance nonfinancial assets or (b) required specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Many individuals volunteer their time and perform a variety of tasks that assist the Organization with the advocacy program throughout the year that are not recognized as contributions in the financial statements since the recognition criteria under SFAS No. 116 were not met.

CASA OF TERREBONNE, INC.
Notes to the Financial Statements
For the Year Ended June 30, 2023

H. LEASES

The CASA of Terrebonne determines if an arrangement is a lease at inception. Operating leases with an initial term greater than 12 months are included in operating right-of-use (ROU) assets, other current liabilities, and operating lease liabilities in the statement of financial position. Finance leases are included in property and equipment, other current liabilities, and other long-term liabilities on the statement of financial position. Leases with an initial term of 12 months or less are not recorded on the statement of financial position. Lease expense is recognized for these leases on a straight-line basis over the lease term.

I. REVENUE AND EXPENSE RECOGNITION

Contributions are recognized when the donor makes a commitment to give and are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), donor restricted net assets are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions. Restrictions on gifts of fixed assets or cash for the purchase of fixed assets expire when the asset is placed in service. Expenses are recognized in the period incurred in accordance with the accrual basis of accounting.

J. ADVERTISING

The Organization uses advertising to promote its programs among the audiences it serves. Advertising costs are expensed when incurred. Advertising expense was \$10,363 for the year ended June 30, 2023.

K. INCOME TAX STATUS

CASA of Terrebonne, Inc. is exempt from federal income tax under Section 501(C)(3) of the Internal Revenue Code. In addition, the organization qualifies for the charitable contribution deduction under section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). Accordingly, no provision for income taxes is made in the financial statements.

CASA of Terrebonne, Inc. is required to file federal form 990 for informational purposes and federal income tax returns for fiscal year ended June 30, 2020 to present remain subject to examination by the Internal Revenue Service.

L. USE OF ESTIMATES

The process of preparing financial statements in conformity with generally accepted

CASA OF TERREBONNE, INC.

Notes to the Financial Statements

For the Year Ended June 30, 2023

accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

M. FUNCTIONAL ALLOCATION OF EXPENSES

Expenses are summarized and categorized based on their function classification as either program or supporting services. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. Certain categories of expenses are attributable to more than one program or supporting function. Therefore, these expenses require allocation based on time, space, or other resources used for those functions.

N. COMPENSATED ABSENCES

Eligible employees will be granted paid vacation on the employee's anniversary date of each calendar year according to the following schedule.

Six months to one year	5 days (40 hours)
One year to three years	10 days
Four to five years	15 days
Six years	18 days
More than six years	for each additional year in excess of six years of service, and employee will receive one additional day per year added to the standard 18 days per year, not to exceed 20 days annual vacation.

An employee becomes eligible to receive vacation benefits when they have successfully completed the six months of continuous employment.

Unused vacation leave may be carried over up to 120 hours. Upon separation, employees will be compensated for any unused vacation leave, paid at the current salary, which is not to exceed 240 hours.

Eligible employees will be granted 40 hours per year sick leave after three months of employment. 40 hours of sick leave will be granted each year on the employee's anniversary date. Sick leave is not accrued nor paid upon separation.

O. MANAGEMENT OF LIQUID RESOURCES

CASA of Terrebonne is primarily funded by contributions that may contain restrictions. Those restrictions required that resources be used in a certain manner or in a future period. Therefore, CASA of Terrebonne must maintain adequate resources to meet those responsibilities to its donors and certain financial assets may not be available for general expenditure within one year. As part of its liquidity management, CASA has a policy to structure its financial assets to be available as general expenditures, liabilities, and other

CASA OF TERREBONNE, INC.
Notes to the Financial Statements
For the Year Ended June 30, 2023

obligations become due. CASA also invests its cash in investments held by Morgan Stanley Investment Companies. The Board of Directors may occasionally designate amounts to its liquidity reserve that could be utilized in the event of an unanticipated liquidity need.

P. SUBSEQUENT EVENTS

The subsequent events of the organization were evaluated through the date of the financial statements were available to be issued (October 24, 2023).

Q. RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842) intended to improve financial reporting regarding leasing transactions. The new standard affects all companies and organizations that lease assets and liabilities for the rights and obligations created by those leases if the lease terms are more than 12 months. The guidance also requires qualitative quantitative disclosures providing additional information about the amounts recorded in the financial statements. The amendments in this update are effective for fiscal years beginning after December 15, 2021. CASA of Terrebonne, Inc. adopted this effective July 1, 2022.

NOTE 2 FAIR VALUE MEASUREMENTS

The fair value of a financial instrument is the current amount that would be exchanged between willing parties, other than in a forced liquidation. Fair value is best determined based upon quoted market prices. However, in many instances, there are no quoted market prices for the Organization's various financial instruments. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instrument.

The Organization utilizes fair value measurements to record fair value adjustments to certain financial assets and financial liabilities and to determine fair value disclosures. The Organization has not disclosed any other financial assets or non-financial assets and liabilities recorded at fair value on a recurring or non-recurring basis.

The Organization uses a three-tier fair value hierarchy which prioritizes the inputs used in measuring fair value as follows:

- Level 1 – Observable inputs such as quoted prices in active markets.
- Level 2 – Inputs; other than the quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3 – Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

CASA OF TERREBONNE, INC.
Notes to the Financial Statements
For the Year Ended June 30, 2023

The fair value of assets measured on a reoccurring basis at June 30, 2023, are as follows:

	Fair Value Measurement Using			
	Cost	Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Exchange-traded funds	\$ 4,144	\$ 4,679	\$ -	\$ -
Mutual Funds	66,761	64,007	-	-
Certificates of deposit	400,000	394,433	-	-
Total Investments	\$470,906	\$ 463,118	\$ -	\$ -

The change in net unrealized holding gains and losses on equity security has been included in the change in net assets for the year ended June 30, 2023. All of the unrealized gains and losses recognized during the year are for securities still held at year end.

At June 30, 2023, several publicly traded limited partnerships, publicly traded corporations and exchange-traded products with unrealized losses have depreciated in value from prior years. These unrealized losses related principally to current global market conditions. Management evaluates issuers published reports, recent downgrades by bond rating agencies, and current market trends in analyzing the issuer's financial conditions.

NOTE 3 PROPERTY AND EQUIPMENT

Property and Equipment at June 30, 2023, consisted of the following:

Furniture and equipment	\$ 22,390
Miscellaneous capital asset	1,471
Leasehold improvements	35,430
less: accumulated depreciation	(25,065)
Total depreciable property & equipment, net	34,226
Financing right-of-use assets	158,803
less: accumulated depreciation	(25,233)
Total financing ROU assets, net	133,570
Net investment in property and equipment	\$ 167,796

Depreciation expense for the year ended June 30, 2023 was \$31,786.

CASA OF TERREBONNE, INC.
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 4 LEASES

Office building

CASA of Terrebonne entered into a commercial lease for its office space on August 2, 2018. The terms are for ten years beginning August 1, 2018 and ending July 31, 2028 (primary term). This lease secured office space for the administrative office. Rent was \$2,000 monthly, payable on the first of the month. On March 31, 2023, the agreement was amended to increase the monthly rent to \$2,500. CASA of Terrebonne is responsible for utilities and certain building maintenance expense.

The lessor has granted CASA of Terrebonne the exclusive option to purchase the property at any point within the primary term for the outstanding balance due on the mortgage loan at the time of said purchase. It is management's intention to purchase the property at the end of the lease agreement. Management has determined this lease to be a financing right-of-use asset with an imputed interest rate of 6%. At June 30, 2023, the remaining financing lease liability for this agreement was \$133,558.

Copy machine

On March 23, 2023, CASA entered into a lease agreement with Canon Solutions of America for a Cannon Copier. The agreement is for 60 months. Monthly payments are \$133.25. Management has determined this lease to be a financing right-of-use asset with an imputed interest rate of 5.4%. At June 30, 2023, the remaining financing lease liability for this agreement was \$6,717.

Future minimum commitments required under financing leases are as follows:

Year Ended July 30,	Total Commitment
2024	\$23,868
2025	\$25,332
2026	\$26,887
2027	\$28,536
2028	\$29,886
2029	\$5,766
Total minimum payments	<u>\$140,275</u>

Interest expense for the year ended June 30, 2023, was \$7,402.

NOTE 5 FINANCIAL INSTRUMENTS

Financial instruments which potentially subject the Organization to concentrations of credit risk include temporary cash investments. The Organization maintains its cash and invested funds in several financial institutions. Accounts at these institutions are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2023, the Organization did not exceed the insured limits.

CASA OF TERREBONNE, INC.
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 6 CONCENTRATION OF RISK

CASA's primary sources of support are from grants awarded by the state. Management is always seeking funding for the upcoming years through renewals of current grants as well as by applying for new grants; however, in the event the Organization is unable to secure additional funding, the financial position of the Organization could be significantly impacted. For the year ended June 30, 2023, the Organization's support from state grants totaled 64% of total revenue.

NOTE 7 BOARD COMPENSATION

The Board of Directors is a voluntary board; therefore, no compensation was paid to any board member for the year ended June 30, 2023.

NOTE 8 RETIREMENT PLAN

Eligible employees can participate in a SIMPLE IRA which is a defined contribution salary deferral plan. Under the plan, CASA matches the employee's contribution up to three percent of each eligible employee's salary. All contributions are 100% vested to the employee. Plan expenses incurred by CASA for the current year ended totaled \$4,869.

NOTE 9 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

CASA of Terrebonne maintains operating revenue for general expenditures. At June 30, 2023, current financial assets totaled \$253,929. These assets are available for general expenditures. CASA of Terrebonne has a goal to maintain financial assets, which consists of cash and receivables, on hand to meet 60 days of normal operating expenses, which are on average, \$72,000. It is the Organization's policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

NOTE 10 LITIGATION AND CLAIMS

CASA of Terrebonne, Inc. is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries; and natural disasters. Commercial insurance coverage is purchased to cover real and personal property, general liability, automobile, and criminal liability. There has been no significant reduction in insurance coverage during the current fiscal year.

Supplementary Information

CASA OF TERREBONNE, INC.
Schedule of CASA Assistance Program
Grant Revenue and Expenditures
For the Year Ended June 30, 2023

REVENUES:	
CASA Assistance Program	\$ 312,761
EXPENSES:	
Training	2,383
Operating expense	45,989
Printing	68
Professional services	1,434
Salaries	135,784
Fringe benefits	36,104
Supplies	2,165
Travel	5,764
Administrative	<u>83,071</u>
Total expenditures	<u>312,761</u>
	<u><u>\$ -</u></u>

Notes:

This schedule is prepared using the cash method of accounting.

CASA OF TERREBONNE, INC.
Schedule of Compensation, Benefits and Other Payments
to Agency Head or Chief Executive Officer
For the Year Ended June 30, 2023

Agency Head Name:

Christine Aucoin, Executive Director

Purpose	Amount
Salary	\$47,000
Benefits-insurance	11,877
Benefits-retirement	1,473
Benefits-other	0
Car allowance	0
Vehicle provided by government	0
Per diem	0
Reimbursements	0
Travel / mileage	0
Registration fees	0
Conference travel	0
Housing	0
Unvouchered expenses	0
Special meals	0

This form is used to satisfy the reporting requirements of R.S. 24:513(A)(3). Under those requirements, only payments made with public funds are required to be reported.

Other Information

CASA OF TERREBONNE, INC.
Schedule of Prior Year Findings
For the Year Ended June 30, 2023

Section I – Internal Control and Compliance material to the financial statements:

Ref. No. 2022-01 – Inadequate Segregation of Accounting Functions

Description of Finding

A material weakness exists in internal controls due to the size of the CASA of Terrebonne's operation. Its limited staff precludes an adequate segregation of duties and other features of an adequate system of internal control, although to employ such controls may not be cost beneficial.

Corrective Action Taken

No corrective action was taken.

Section II – Management Letter

No management letter was issued.

CASA OF TERREBONNE, INC.
Schedule of Current Year Audit Findings
and Managements Response
For the Year Ended June 30, 2023

Section I – Internal Control and Compliance material to the financial statements:

2023-01 - Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: 2010

CONDITION: CASA of Terrebonne, Inc. did not have adequate segregation of duties within the accounting function.

CRITERIA: AU-C §315.04, *Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement*, defines internal control as “a process, affected by those charged with governance, management, and other personnel, designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness, and efficiency of operations, and compliance with applicable laws and regulations.”

CAUSE: The cause of the condition is the fact that CASA of Terrebonne, Inc. does not have a sufficient number of staff performing administrative and financial duties as to provide adequate segregation of accounting and financial duties.

EFFECT: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

RECOMMENDATION: Management should evaluate the cost vs. benefit of complete segregation whenever possible, reassign incompatible duties among different employees to ensure that a single employee does not have control of more than one of the following responsibilities: (1) authorization, (2) custody, (3) recordkeeping, and (4) reconciliation.

MANAGEMENT’S CORRECTIVE ACTION PLAN: The board concurs with the finding. Due to the size of staffing, the achievement of adequate segregation of duties is desirable, but is not cost effective. Management will attempt to use current staff and board members to segregate accounting functions as much as possible.

Section II – Management Letter

There was no management letter issued.

**Special Reports of
Certified Public Accountants**



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board
CASA of Terrebonne, Inc.
Houma, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of CASA of Terrebonne, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 24, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the CASA of Terrebonne's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CASA of Terrebonne's internal control. Accordingly, we do not express an opinion on the effectiveness of the CASA of Terrebonne's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We

did identify a deficiency in internal control, described in the accompanying schedule of current year audit findings and managements response that we consider to be a material weakness as item 2023-01.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the CASA of Terrebonne's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

CASA of Terrebonne's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on CASA of Terrebonne's response to the findings identified in our audit and described in the accompanying schedule of current year audit findings and managements response. CASA of Terrebonne's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



Thibodaux, Louisiana
October 24, 2023