

LOUISIANA CASA ASSOCIATION
FINANCIAL STATEMENTS AND
AUDITOR'S REPORT

JUNE 30, 2004

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1-19-05

LOUISIANA CASA ASSOCIATION

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITOR'S REPORT	3
STATEMENT OF FINANCIAL POSITION	4
STATEMENT OF ACTIVITIES	5
STATEMENT OF CASH FLOWS	6
NOTES TO FINANCIAL STATEMENTS	7
SUPPLEMENTAL INFORMATION	
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	12
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <u>GOVERNMENT AUDITING STANDARDS</u>	13
REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133	15
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	17
CORRECTIVE ACTION PLAN	

Justin J. Scanlan, C.P.A.

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Louisiana CASA Association

I have audited the accompanying statement of financial position of Louisiana CASA Association (a non-profit corporation) as of June 30, 2004, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the corporation's management. My responsibility is to express an opinion on these financial statements based on my audit. The prior year summarized comparative information has been derived from the corporation's 2003 financial statements and, in my report dated September 3, 2003, I expressed an unqualified opinion on those financial statements.

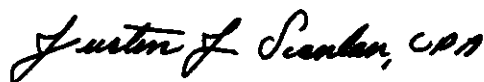
I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Louisiana CASA Association as of June 30, 2004, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued my report dated October 5, 2004, on my consideration of Louisiana CASA Association's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants. This report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

My audit was made for the purpose of forming an opinion on the basic financial statements of Louisiana CASA Association taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

New Orleans, Louisiana
October 5, 2004



LOUISIANA CASA ASSOCIATION
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2004

ASSETS

		TOTAL MEMORANDUM ONLY <u>June 30, 2003</u>
Cash	\$ 17,568	\$ 6,597
Grants receivable (Notes A4 and B)	15,920	18,951
Property and equipment – at cost (Notes A5 and C)	<u>13,557</u>	<u>14,877</u>
Total assets	<u>\$ 47,045</u>	<u>\$ 40,425</u>

LIABILITIES AND NET ASSETS

Accounts payable and accrued liabilities	\$ <u>3,246</u>	\$ <u>6,518</u>
Total liabilities	3,246	6,518
Net assets		
Unrestricted	<u>43,799</u>	<u>33,907</u>
Total net assets	<u>43,799</u>	<u>33,907</u>
Total liabilities and net assets	<u>\$ 47,045</u>	<u>\$ 40,425</u>

The accompanying notes are an integral part of this financial statement.

LOUISIANA CASA ASSOCIATION

STATEMENT OF ACTIVITIES

For the year ended June 30, 2004

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>TOTAL MEMORANDUM ONLY For the year ended June 30, 2004</u>	<u>June 30, 2003</u>
REVENUE				
Grant appropriations (Note F)	\$ -	\$ 591,296	\$ 591,296	\$ 647,439
Contributions	2,111	-	2,111	50
Other	21,014	-	21,014	19,219
Net assets released from restrictions	<u>591,296</u>	<u>< 591,296 ></u>	<u>-</u>	<u>-</u>
TOTAL REVENUE	<u>614,421</u>	<u>-</u>	<u>614,421</u>	<u>666,708</u>
EXPENSES				
Salaries	139,252	-	139,252	155,040
Fringe benefits	31,684	-	31,684	26,543
Travel	12,469	-	12,469	16,763
Occupancy expense	14,400	-	14,400	12,100
Telephone	8,588	-	8,588	20,730
Supplies	7,673	-	7,673	5,716
Professional services	81,177	-	81,177	108,811
Equipment expense	28,557	-	28,557	106,637
Conference expense	27,077	-	27,077	22,952
Insurance	11,593	-	11,593	6,886
Printing	4,098	-	4,098	7,786
Monitoring	-	-	-	60,520
Training	33,683	-	33,683	43,212
Program support	192,520	-	192,520	66,746
Other costs	<u>11,758</u>	<u>-</u>	<u>11,758</u>	<u>1,794</u>
TOTAL EXPENSES	<u>604,529</u>	<u>-</u>	<u>604,529</u>	<u>662,236</u>
Increase <decrease> in net assets	9,892	-	9,892	4,472
Net assets, beginning of year	<u>33,907</u>	<u>-</u>	<u>33,907</u>	<u>29,435</u>
Net assets, end of year	<u>\$ 43,799</u>	<u>\$ -</u>	<u>\$ 43,799</u>	<u>\$ 33,907</u>

The accompanying notes are an integral part of this financial statement.

LOUISIANA CASA ASSOCIATION

STATEMENT OF CASH FLOWS

For the year ended June 30, 2004

Increase <decrease> in cash and cash equivalents

Cash flows from operating activities:

Increase in net assets \$ 9,892

Adjustments to reconcile increase in net assets to net cash provided by operating activities:

Depreciation \$ 10,729

Changes in assets and liabilities:

Decrease in grants receivables 3,031

Decrease in accounts payable and accrued liabilities < 3,272 > 10,488

Net cash provided by operating activities 20,380

Cash flows from investing activities:

Acquisition of equipment < 9,409 >

New cash used in investing activities < 9,409 >

Cash flows from financing activities:

Proceeds from revolving line-of-credit 5,000

Principal payments on line-of-credit < 5,000 >

Net cash provided by financing activities -

Net increase in cash and cash equivalents 10,971

Cash and cash equivalents, beginning of year 6,597

Cash and cash equivalents, end of year \$ 17,568

Cash flow information:

Interest paid \$ 22

The accompanying notes are an integral part of this financial statement.

LOUISIANA CASA ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the corporation's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

1. Nature of Activities

Louisiana CASA Association is a non-profit corporation organized to support and encourage the Court Appointed Special Advocate program in Louisiana; to promote cooperation and communication among CASA programs within Louisiana; to coordinate and encourage funding of CASA programs at the state level; and to represent the Louisiana CASA programs at the national level.

The corporation's support through government grants totaled 96% for the year ended June 30, 2004.

2. Financial Statement Presentation

The corporation's financial statements are presented in accordance with requirements established by the Financial Accounting Standards Board (FASB) as set forth in the Statement of Financial Accounting Standards No. 117, "Financial Statements of Not-For-Profit Organizations," dated June 1993. Accordingly, the net assets of the corporation are reported in each of the following classes: (a) unrestricted net assets, (b) temporarily restricted net assets, and (c) permanently restricted net assets. There were no permanently restricted net assets.

Net assets of the restricted class are created only by donor-imposed restrictions on their use. All other net assets, including board-designated or appropriated amounts, are legally unrestricted, and are reported as part of the unrestricted class.

3. Revenue Recognition

For financial reporting, the corporation recognizes all contributed support as income in the period received. Contributed support is reported as unrestricted or restricted depending on the existence of donor stipulations that limit the use of the support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose of restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activity as "net assets released from restrictions".

Grant revenue is earned in accordance with approved contracts.

4. Receivables

The corporation considers accounts receivables to be fully collectible since the balance consists primarily of payments due under government contracts. If amounts due become uncollectible, they will be charged to operations when that determination is made.

LOUISIANA CASA ASSOCIATION
NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

5. Property and Equipment

Louisiana CASA Association records property acquisitions at cost. Donated assets are recorded at estimated value at the date of donation. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets. Depreciation expense for the year ended June 30, 2004 totaled \$10,729.

It is the policy of the corporation to capitalize all property, furniture, and equipment with an acquisition cost in excess of \$5,000.

6. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

7. Cash Equivalents

For purposes of the statement of cash flows, the corporation considers all demand deposits to be cash equivalents.

8. Fair Values of Financial Instruments

The carrying amount of cash and cash equivalents reported in the statement of financial position approximate fair values because of the short maturities of those instruments.

9. Memorandum Only – Total Columns

Total columns are captioned “Memorandum Only” to indicate that they are presented only to assist with financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

NOTE B – GRANTS RECEIVABLE

Grants receivable at June 30, 2004 consist of the following:

State of Louisiana – Office of Community Services	\$ 2,756
State of Louisiana – Supreme Court	<u>13,164</u>
	<u>\$ 15,920</u>

LOUISIANA CASA ASSOCIATION
NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2004

NOTE C – PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2004 consists of the following:

Office equipment	\$ 33,753
Less accumulated depreciation	<u>< 20,196 ></u>
	<u>\$ 13,557</u>

NOTE D – RENTAL EXPENSE

The corporation leases its administrative facility under an operating lease expiring February 28, 2005. The rental expense for the year ended June 30, 2004 totaled \$14,400.

The future minimum lease payments are as follows:

For the year ended June 30

2005	\$ <u>8,800</u>
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NOTE E – INCOME TAXES

The corporation is exempt from corporate income taxes under Section 501(c)(3) of the Internal Revenue Code.

NOTE F – SUMMARY OF FUNDING

Louisiana CASA Association's funding for grants and contracts consist of the following:

<u>Grants</u>	<u>Period</u>	<u>Grant Award</u>	<u>Revenue Recognized</u>
State of Louisiana Department of Social Services			
Children's Justice Act	1/1/04-12/31/04	\$ 30,000	\$ 14,367
	1/1/03-12/31/03	30,000	23,268
Children's Trust Fund	7/1/03-6/30/04	5,000	5,000
The National Court Appointed Special Advocate Association	7/1/02-6/30/04	100,000	50,000
Supreme Court of Louisiana TANF Program	10/1/03-9/30/04	368,952	210,743
	10/1/02-9/30/03	517,878	<u>287,918</u>
Total revenue			<u>\$ 591,296</u>

LOUISIANA CASA ASSOCIATION

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2004

NOTE G – PENSION PLAN

The corporation has a defined contribution plan coverage all full-time employees who have reached the age of 21 with at least one year of service. The corporation contributes to the plan an amount equal to 6% of total employee's compensation. The pension expense for the year ended June 30, 2004 totaled \$6,622, which is included in fringe benefit costs in the Statement of Activities.

NOTE H - BOARD OF DIRECTORS COMPENSATION

The board of directors is a voluntary board; therefore, no compensation was paid to any board member during the year ended June 30, 2004.

NOTE I – SUBSEQUENT EVENTS

The funding from the Supreme Court of Louisiana for administering its TANF program for the year ending September 30, 2005 was reduced by approximately 65%.

SUPPLEMENTAL INFORMATION

LOUISIANA CASA ASSOCIATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended June 30, 2004

<u>PROGRAM TITLE</u>	<u>GRANT PERIOD</u>	<u>FEDERAL CFDA NUMBER</u>	<u>TOTAL FEDERAL EXPENDITURES</u>
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Funds passed through State of Louisiana – Supreme Court:			
Temporary Assistance for Needy Families (TANF)	10/1/03-9/30/04	93.558	210,743
	10/1/02-9/30/03	93.558	<u>\$ 287,918</u>
Total U. S. Department of Health and Human Services			<u>498,661</u>
U.S. DEPARTMENT OF JUSTICE			
Funds passed through National Court Appointed Special Advocate Association:			
Victims of Child Abuse	7/1/02-6/30/04	16.547	50,000
Funds passed through State of Louisiana – Department of Social Services:			
Children’s Justice Act	1/1/04-12/31/04	16.583	14,367
	1/1/03-12/31/03	16.583	<u>23,268</u>
Total U.S. Department of Justice			<u>37,635</u>
Total Federal Awards			<u>\$ 586,296</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

A. Presentation of Financial Statements

The accompanying Schedule of Expenditures of Federal Awards has been prepared on the accrual basis of accounting. Grant revenues are recorded, for financial reporting purposes, when Louisiana CASA Association has met the cost of reimbursement or funding qualifications for the respective grants.

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Louisiana CASA Association

I have audited the financial statements of Louisiana CASA Association (a non-profit corporation) as of and for the year ended June 30, 2004, and have issued my report thereon dated October 5, 2004. I conducted my 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.

Compliance

As part of obtaining reasonable assurance about whether Louisiana CASA Association's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Louisiana CASA Association's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could adversely affect Louisiana CASA Association's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item 2004-01.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being auditing may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over financial reporting would not necessarily disclose all matters in

the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I believe that none of the reportable conditions described above is a material weakness.

This report is intended solely for the information and use of the audit committee, management, Louisiana Legislative Auditor, others within the organization and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Justin J. Scaden, CPA

New Orleans, Louisiana
October 5, 2004

Justin J. Scanlan, C.P.A.

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Directors
Louisiana CASA Association

Compliance

I have audited the financial statements of Louisiana CASA Association (a non-profit organization) with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" that are applicable to each of its major federal programs for the year ended June 30, 2004. Louisiana CASA Association's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Louisiana CASA Association's management. My responsibility is to express an opinion on Louisiana CASA Association's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Louisiana CASA Association's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination of Louisiana CASA Association's compliance with those requirements.

In my opinion, Louisiana CASA Association complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2004.

Internal Control Over Compliance

The management of Louisiana CASA Association is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered Louisiana CASA Association's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

I noted certain matters involving the internal control over financial reporting and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could adversely affect Louisiana CASA Association's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item 2004-01.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being auditing may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I believe that none of the reportable conditions described above is a material weakness.

This report is intended solely for the information and use of the audit committee, management, Louisiana Legislative Auditor, others within the organization and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Justin J. Scanlon, CPA

New Orleans, Louisiana
October 5, 2004

LOUISIANA CASA ASSOCIATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended June 30, 2004

A. SUMMARY OF THE AUDITOR'S REPORT

1. An unqualified opinion was issued on the financial statements of Louisiana CASA Association.
2. One reportable condition disclosed during the audit of the financial statements is reported in the report titled "Reports on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards." This condition is not reported as a material weakness.
3. No instances of noncompliance material to the financial statements of Louisiana CASA Association were disclosed during the audit.
4. One reportable condition in internal control over the major federal award program disclosed during the audit is reported in the report titled "Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133." This condition is not reported as a material weakness.
5. The auditor's report on compliance for the major federal award programs for Louisiana CASA Association expresses an unqualified opinion.
6. The audit finding that is required to be reported in accordance with Section 510(a) of OMB Circular A-133 is reported in this schedule.
7. Major program for the year ended June 30, 2004 was:

U.S. Department of Health and Human Services
Temporary Assistance for the Needy Families (TANF) (CFDA #93.558)
8. The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
9. The auditee did not qualify as a low-risk auditee.

LOUISIANA CASA ASSOCIATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

For the year ended June 30, 2004

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

REPORTABLE CONDITIONS

2004-1 Segregation of Duties

Condition: Due to the size of the administrative staff, the organization is too small to effect a meaningful segregation of duties. All authorizations and approval of cash disbursements are performed by the Executive Director and all accounting functions are performed by the executive assistant.

Criteria: The accounting functions should be performed by a few individuals to assure proper segregations duties.

Effect: The organization is unable to assure that its assets are properly safeguarded.

Recommendation: I recommend the Board of Directors continue it significant involvement in the financial affairs of the corporation through review of monthly financial reports and periodic review of the corporation's day to day financial activities.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

**ALL PROGRAMS
REPORTABLE CONDITIONS**

2004-1 Segregation of Duties

Condition: Due to the size of the administrative staff, the organization is too small to effect a meaningful segregation of duties. All authorizations and approval of cash disbursements are performed by the Executive Director and all accounting functions are performed by the executive assistant.

Criteria: The accounting functions should be performed by a few individuals to assure proper segregations duties.

Effect: The organization is unable to assure that its assets are properly safeguarded.

Recommendation: I recommend the Board of Directors continue it significant involvement in the financial affairs of the corporation through review of monthly financial reports and periodic review of the corporation's day to day financial activities.

D. STATUS OF PRIOR YEAR AUDIT FINDINGS

There were no prior year audit findings.



Louisiana CASA

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LOUISIANA CASA ASSOCIATION Corrective Action Plan

November 29, 2004

In the 2004 auditor's report for the year ending June 30, 2004, our auditor identified one reportable condition for Louisiana CASA Association: segregation of duties.

At the time of the audit, Louisiana CASA had one fulltime employee and one contract employee. While the administrative staff now includes two fulltime employees, this level of staffing does not make it possible to correct the condition.

To safeguard assets, I will continue to inform the Board of Directors through review of monthly financial statements and periodic review of the corporation's day to day financial activities. I have hired an external contractor to prepare the monthly financial statements.