

**LOUISIANA CASA ASSOCIATION
BATON ROUGE, LOUISIANA**

**Financial Report
As of and for the Year Ended
June 30, 2020**

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TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR’S REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7
SUPPLEMENTARY INFORMATION	
Internal Control over Financial Reporting and on Compliance And Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	12
Schedule of Findings and Questioned Costs	14
Schedule of Prior Year Findings and Recommendations	15
Schedule of Compensation, Benefits and Other Payments to the Executive Director	16

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Louisiana CASA Association
Baton Rouge, Louisiana

I have audited the accompanying financial statements of Louisiana CASA Association, a nonprofit organization, which comprise the statement of financial position as of June 30, 2020, and the related statement of activities, 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. 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 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Member
American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants

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, 2020, and the changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of compensation, benefits and other payments to the Executive Director is presented for purposes of additional analysis and is not a required part of 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 my opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Report on Summarized Comparative Information

I have previously audited Louisiana CASA Association's 2019 financial statements, and I expressed an unmodified opinion on those audited financial statements in my report dated October 11, 2019. In my opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it was derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated October 30, 2020, 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 grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Louisiana CASA Association's internal control over financial reporting and compliance.



John L. McKowen, CPA

Baton Rouge, Louisiana
October 30, 2020

Louisiana CASA Association
Baton Rouge, Louisiana

Statement of Financial Position

June 30, 2020
(with summarized comparative amounts for 2019)

ASSETS

CURRENT ASSETS	2020	2019
Cash	\$ 189,745	\$ 15,262
Grants receivable	57,493	91,600
Prepaid expenses	2,099	1,379
Total current assets	249,337	108,241
 NON-CURRENT ASSETS		
Property and equipment, net	5,939	4,481
Total assets	\$ 255,276	\$ 112,722

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 5,841	\$ 7,941
 NON-CURRENT LIABILITIES		
PPP Loan	83,900	-
Total liabilities	\$ 89,741	\$ 7,941
 NET ASSETS		
Without donor restrictions	150,935	104,781
With donor restrictions	14,600	-
Total net assets	\$ 165,535	\$ 104,781
Total liabilities and net assets	\$ 255,276	\$ 112,722

Louisiana CASA Association
Baton Rouge, Louisiana

STATEMENT OF ACTIVITIES

For the year ended June 30, 2020
(with summarized comparative amounts for 2019)

	<u>2020</u>			<u>2019</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUE				
Grants	-	648,290	648,290	\$ 693,162
Contributions	62,546	2,000	64,546	9,148
Other	25,824	-	25,824	19,817
	<u>88,370</u>	<u>650,290</u>	<u>738,660</u>	<u>722,127</u>
Net assets released from restrictions	<u>635,690</u>	<u>(635,690)</u>	<u>-</u>	<u>-</u>
Total public support and revenue	<u>724,060</u>	<u>14,600</u>	<u>738,660</u>	<u>722,127</u>
EXPENSES				
Program services	616,422	-	616,422	668,241
Management and general	57,796	-	57,796	59,318
Fundraising	3,688	-	3,688	3,588
Total expenses	<u>677,906</u>	<u>-</u>	<u>677,906</u>	<u>731,147</u>
Increase (decrease) in net assets	46,154	14,600	60,754	(9,020)
NET ASSETS				
Beginning of year	104,781	-	104,781	113,801
End of year	<u>150,935</u>	<u>14,600</u>	<u>165,535</u>	<u>\$ 104,781</u>

The accompanying notes are an integral part of this statement.

Louisiana CASA Association
Baton Rouge, Louisiana

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2020
(with comparative amounts for June 30, 2019)

	2020			2019
	Program Services	Management and General	Fundraising	Total
EXPENSES				-
Salaries	330,099	31,449		361,548
Fringe benefits	40,224	6,312		46,536
Travel	21,250	3,686		24,936
Occupancy expense	20,736	864		21,600
Telephone	1,848	72		1,920
Supplies	11,112	522		11,634
Professional services	93,070	3,132	3,688	99,890
Equipment expense	6,001			6,001
Insurance	2,499			2,499
Printing	3,170			3,170
Training	84,379	8,141		92,520
Program support	1,992			1,992
Depreciation		2,048		2,048
Other costs	42	1,570		1,612
	<u>616,422</u>	<u>57,796</u>	<u>3,688</u>	<u>677,906</u>
Total expenses	<u>616,422</u>	<u>57,796</u>	<u>3,688</u>	<u>677,906</u>
				<u>731,147</u>

Louisiana CASA Association
Baton Rouge, Louisiana

STATEMENT OF CASH FLOWS

For the year ended June 30, 2020
(with comparative amounts for 2019)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITES		
Increase (decrease) in net assets	\$ 60,754	\$ (9,020)
Adjustments for non-cash items:		
Depreciation	2,048	1,347
Change in operating assets and liabilities		
(Increase) decrease in grants receivable	34,107	8,888
(Increase) decrease in other receivables	-	-
(Increase) decrease in prepaid expenses	(720)	(95)
Increase (decrease) in accounts payable and accrued liabilities	(2,100)	(4,321)
Net cash provided (used) by operating activities	94,089	(3,201)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Proceeds of PPP loan	83,900	-
Net cash provided by investing activities	83,900	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of property and equipment	(3,506)	(5,828)
Net cash provided by investing activities	(3,506)	(5,828)
Net increase (decrease) in cash	174,483	(9,029)
Beginning of year	15,262	24,291
End of year	\$ 189,745	\$ 15,262

Louisiana CASA Association had no interest expense and no income tax expense for the years ended June 30, 2020 or June 30, 2019.

Louisiana CASA Association
Baton Rouge, Louisiana
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of activities

Louisiana CASA Association is a Louisiana nonprofit corporation organized to support evidence-based services and programs for vulnerable families. Louisiana CASA Association's programs support and encourage the Court Appointed Special Advocate programs in Louisiana, promote cooperation and communication among CASA programs within Louisiana, coordinate and encourage funding of CASA programs at the state level, and represent the Louisiana CASA programs at the national level.

Basis of presentation

Louisiana CASA Association prepares its financial statements on the accrual basis of accounting. The significant accounting policies are described below to enhance the usefulness of the financial statements.

Louisiana CASA Association reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

The statement of activities presents expenses of Louisiana CASA Association functionally by program services, fundraising, and management and general.

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with Louisiana CASA Association's financial statements for the year ended June 30, 2019, from which the summarized information was derived.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates. Estimates are used primarily when accounting for the allowance for doubtful accounts, prepaid assets, and accrued liabilities.

Income tax status

Louisiana CASA Association qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code; therefore, the financial statements have no provision for federal and state income tax.

Louisiana CASA Association follows FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. Management has determined that there is no impact to the financial statements as a result of ASC 740-10. Louisiana CASA Association' open audit periods are 2018 through 2020.

Net assets

Net assets without donor restrictions represent resources over which the Board of Directors has discretionary control and are used to fund operations of Louisiana CASA Association in accordance with its bylaws.

Net assets with donor restrictions are contributions and grants restricted for various purposes. During the year ended June 30, 2020, contributions of \$635,690 were transferred to net assets without restrictions as restrictions were satisfied.

Cash and cash equivalents

Louisiana CASA Association considers all highly liquid investments, money market funds and certificates of deposit with a maturity of three months or less at the date of acquisition to be cash equivalents. There were no cash equivalents at June 30, 2020.

Grants receivable

Accounts receivable are recorded at cost, net of an allowance for doubtful accounts. Management believes all accounts are collectible; therefore, an allowance has not been recorded at June 30, 2020. Louisiana CASA Association does not require collateral for its receivables. There were \$57,493 in receivables less than 90 days past due at June 30, 2020.

Property and depreciation

Property is stated at cost, or fair market value if donated, and depreciated over the estimated useful lives using the straight-line method for values in excess of \$1,000. Maintenance and repairs expenditures are expensed as incurred.

Fair value of financial instruments

The carrying value of receivables, prepaid insurance, accounts payable and accrued liabilities approximates fair value due to the short-term maturity of these instruments. None of these financial instruments are held for trading purposes.

Grant revenue

Louisiana CASA Association receives grants to support its activities as well as grants restricted for specific purposes. Restricted grants that have not been fully expended at year-end are classified as temporarily restricted net assets.

Concentrations of credit risk

Louisiana CASA Association typically maintains cash in local banks. Cash deposits are fully insured by Federal Deposit Insurance Corporation (FDIC) as they are below the maximum insured amounts of \$250,000.

NOTE 2 – GRANTS RECEIVABLE

At June 30, 2020, grants receivable were as follows:

	<u>Amount</u>
Corporation for National and Community Service State of Louisiana	\$15,280
Commission on Law Enforcement and Admin of Criminal Justice	13,715
Supreme Court	22,769
Children’s Trust Fund	1,616
Department of Children and Family Services	3,243
Other	870
	<u>\$57,493</u>

NOTE 3 – PROPERTY AND EQUIPMENT

At June 30, 2020, property and equipment was as follows:

<u>Description</u>	<u>Estimated Service Life</u>	<u>Amount</u>
Furniture and fixtures	7 years	3,128
Equipment	5 years	3,506
Software	3 years	2,700
		<u>9,334</u>
Less accumulated depreciation		(3,305)
		<u>\$ 5,939</u>

Depreciation expense for the year ended December 31, 2020 was \$2,048.

The organization purchased two computers during the year ended December 31, 2020 at a cost of \$3,506.

NOTE 4 – NET ASSETS

At June 30, 2020, Louisiana CASA Association had \$150,935 in net assets without donor restrictions, and \$14,600 in net assets with donor restrictions, for a total of \$165,535 in net assets.

NOTE 5 – OPERATING LEASE

The Organization leases its administrative facility under a month to month operating lease. Rental expense for the year ended June 30, 2020 totaled \$21,600.

NOTE 6 – RETIREMENT PLAN

The Organization has a defined contribution plan covering all full-time employees who have reached the age of 21 with at least one year of service. The Organization contributes to the plan an amount equal to 7% of total employee's compensation. There was no change in the contribution rate from the prior year. The retirement expense for the year ended June 30, 2020 and June 30, 2019 were \$14,179 and \$16,056, respectively.

NOTE 7 – ECONOMIC DEPENDENCY

The Organization received the majority of its revenue from funds provided through grants administered by the State of Louisiana and other nonprofit entities. The grant amounts are appropriated each year by both the state and the federal government. If significant budget cuts were to be made at the federal and/or state levels, the amount of funds the organization receives could be reduced significantly and have an adverse impact on its operation. As of the date of these financial statements, management was not aware of any actions taken that would adversely affect the amount of funds to be received in the next fiscal year. It should be noted, however, that the organization received 88% of its total support in the year ended June 30, 2020 from such grants.

NOTE 8 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization has \$247,238 of financial assets available within one year of the statement of financial position date available to meet cash needs for general and operating expenditures, consisting of cash and equivalents of \$189,745 and grants receivable of \$57,493.

As part of the organization's liquidity management plan, requests for reimbursement on each contract are prepared monthly and timely submitted in an effort to maintain liquidity.

NOTE 9 – ALLOCATION OF FUNCTIONAL EXPENSES

The Statement of Functional Expenses reports certain categories of expenses that are attributable to more than one program or support function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are

allocated include salaries and benefits and professional fees, which are allocated on the basis of estimates of time and effort.

NOTE 10 – SUBSEQUENT EVENTS

Management of Louisiana CASA Association has evaluated subsequent events through October 30, 2020, the date that these financial statements were available to be issued and has determined that there are no significant subsequent events that require recognition or disclosure through that date.

John L. McKowen
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**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***

Board of Directors
Louisiana CASA Association
Baton Rouge, Louisiana

I 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 Louisiana CASA Association, which comprise the statement of financial position as of June 30, 2020 and the related statement of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated October 30, 2020.

Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered Louisiana CASA Association' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Louisiana CASA Association' internal control. Accordingly, I do not express an opinion on the effectiveness of Louisiana CASA Association' 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 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 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.

My consideration of 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. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Member
American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Louisiana CASA Association' financial statements are free from material misstatement, I 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 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 or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of testing, and not to provide an opinion on the effectiveness of the organization's internal control or on 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.

Under Louisiana Revised Statute 24:513, the Legislative Auditor distributes this report as a public document.



John L. McKowen, CPA

Baton Rouge, Louisiana
October 30, 2020

Louisiana CASA Association
Baton Rouge, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2020

Section I Internal Control and Compliance Material to the Financial Statements

None

Section II Internal Control and Compliance Material to Federal Awards

None

Section III Management Letter

None

Louisiana CASA Association
Baton Rouge, Louisiana

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2019

Section I Internal Control and Compliance Material to the Financial Statements

None

Section II Internal Control and Compliance Material to Federal Awards

None

Section III Management Letter

None

Louisiana CASA Association
Baton Rouge, Louisiana

**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO
AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

For the year ended June 30, 2020

AGENCY HEAD NAME: Kathleen Stewart Richey, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$85,000
Benefits – retirement	5,950
Travel reimbursements	
Mileage	1,759
Meals	121
Parking	<u>10</u>
Total	<u>\$92,840</u>