

CASA JEFFERSON, INC.
Financial Statements and Schedule
June 30, 2019

With Independent Auditors' Report Thereon



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
CASA Jefferson, Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of the CASA Jefferson, Inc. (a nonprofit organization) (the Organization), which comprise the statement of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years 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

Our responsibility is to express an opinion on these financial statements based on our audits. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in conformity with auditing standards generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the Organization adopted Accounting Standards Update No. 2016-14 Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities in the current year related to the presentation of financial statements. Our opinion is not modified with respect to this matter.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on page 14 is 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 statement as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2019, on our consideration of the Organization'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 Organization's internal control over financial reporting and compliance.

Richard CPAS

Metairie, Louisiana
December 18, 2019

CASA JEFFERSON, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2019 AND 2018

ASSETS

	2019	2018
<u>CURRENT ASSETS</u>		
Cash	\$ 137,330	\$ 92,373
Grants Receivable	56,534	54,827
Other Receivables	6,943	-
Prepaid expenses	14,056	15,283
Total current assets	214,863	162,483
<u>NON-CURRENT ASSETS</u>		
Deposits	5,707	5,707
Total non-current assets	5,707	5,707
<u>TOTAL ASSETS</u>	\$ 220,570	\$ 168,190

LIABILITIES AND NET ASSETS

<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 2,469	\$ 1,729
Accrued payroll liabilities	4,948	4,941
Total current liabilities	7,417	6,670
Total liabilities	7,417	6,670
<u>NET ASSETS</u>		
Without donor restrictions	171,631	123,675
With donor restrictions (note 5)	41,522	37,845
Total net assets	213,153	161,520
<u>TOTAL LIABILITIES AND NET ASSETS</u>	\$ 220,570	\$ 168,190

The accompanying notes are an integral part of these financial statements.

CASA JEFFERSON, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	<u>2019</u>			<u>2018</u>		
	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
<u>REVENUES AND SUPPORT</u>						
Grants	-	591,207	591,207	13,000	611,405	624,405
Contributions	59,714	2,875	62,589	51,650	7,891	59,541
Special events (net of direct costs of \$16,057 and \$31,900, respectively)	32,695	-	32,695	28,473	-	28,473
Net assets released from restrictions	590,405	(590,405)	-	627,817	(627,817)	-
Total revenues and support	<u>682,814</u>	<u>3,677</u>	<u>686,491</u>	<u>720,940</u>	<u>(8,521)</u>	<u>712,419</u>
<u>EXPENSES</u>						
Programs	547,318	-	547,318	590,153	-	590,153
Management and general	78,795	-	78,795	89,710	-	89,710
Fundraising	8,745	-	8,745	18,574	-	18,574
Total expenses	<u>634,858</u>	<u>-</u>	<u>634,858</u>	<u>698,437</u>	<u>-</u>	<u>698,437</u>
Change in net assets	47,956	3,677	51,633	22,503	(8,521)	13,982
Beginning of year net assets	<u>123,675</u>	<u>37,845</u>	<u>161,520</u>	<u>101,172</u>	<u>46,366</u>	<u>147,538</u>
End of year net assets	<u><u>171,631</u></u>	<u><u>41,522</u></u>	<u><u>213,153</u></u>	<u><u>123,675</u></u>	<u><u>37,845</u></u>	<u><u>161,520</u></u>

The accompanying notes are an integral part of these financial statements.

CASA JEFFERSON, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

2019	Program Services	Management and General	Fundraising	Total
Children's projects	\$ 12,645	\$ -	\$ -	\$ 12,645
Employee benefits	49,312	6,994	1,081	57,387
Equipment		-		-
Information technology	4,136	460		4,595
Insurance	9,640	512		10,152
Meeting Expenses		594		594
Office expense	9,762	1,085		10,847
Payroll taxes	23,704	3,361	520	27,585
Postage and shipping	2,787	147		2,934
Printing	466	403		869
Professional services	17,413	403		17,816
Public relations	2,463	7,293		9,756
Rent	62,304	6,923		69,227
Salaries	325,794	46,205	7,144	379,143
Supplies	3,017	18		3,035
Telephone	8,736	971		9,707
Training	5,242	92		5,334
Travel	8,839	3,263		12,102
Utilities	660	73		733
Volunteer recognition	397			397
Total	\$ 547,318	\$ 78,795	\$ 8,745	\$ 634,858

(continued)

The accompanying notes are an integral part of these financial statements.

CASA JEFFERSON, INC.
STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

2018	Program Services	Management and General	Fundraising	Total
Children's projects	\$ 5,664	\$ -	\$ -	\$ 5,664
Employee benefits	55,513	9,130	2,386	67,029
Equipment		114		114
Information technology	2,035	226		2,261
Insurance	9,329	314		9,643
Meeting Expenses		56		56
Office expense	9,619	1,069		10,688
Payroll taxes	25,318	4,164	1,088	30,570
Postage and shipping	2,471	130		2,601
Printing	1,152	413		1,565
Professional services	21,714	4,640		26,354
Public relations	5,141	3,456		8,597
Rent	61,635	6,848		68,483
Salaries	351,315	57,776	15,100	424,191
Supplies	3,356	274		3,630
Telephone	8,281	920		9,201
Training	7,655	30		7,685
Travel	18,110	83		18,193
Utilities	605	67		672
Volunteer recognition	1,240			1,240
Total	\$ 590,153	\$ 89,710	\$ 18,574	\$ 698,437

The accompanying notes are an integral part of these financial statements.

CASA JEFFERSON, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ 51,633	\$ 13,982
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
(Increase) decrease in grants receivable	\$ (1,707)	\$ 26,327
(Increase) in other receivables	(6,943)	-
Decrease in prepaid expenses	1,227	39
Increase (decrease) in accounts payable	740	(1,345)
Increase (decrease) in accrued payroll liabilities	7	(544)
	<u>44,957</u>	<u>38,459</u>
Net cash used in operating activities		
Net change in cash	\$ 44,957	\$ 38,459
Cash, beginning of year	<u>92,373</u>	<u>53,914</u>
Cash, end of year	<u>\$ 137,330</u>	<u>\$ 92,373</u>

The accompanying notes are an integral part of these financial statements.

CASA JEFFERSON, INC.

Notes to Financial Statements

June 30, 2019 and 2018

1. Summary of Significant Accounting Policies

Operations

CASA Jefferson, Inc. (the Organization) is a 501 (c) (3) nonprofit corporation incorporated on March 26, 2012 under the laws of the State of Louisiana. The Organization's mission is to assign a trained capable volunteer from the community to advocate for the best interest of every abused and neglected child in the Jefferson Parish Juvenile Court System.

One of the Organization's significant programs is The Darkness to Light's Stewards of Children Training which is a nationally available program scientifically proven to increase knowledge, improve attitudes and change child-protective behaviors.

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States (GAAP). The operations of the Organization are accounted for as follows:

Net assets without donor restrictions – Net assets available for use in general operations and not subject to donor or certain grantor restrictions. The governing board may designate, from net assets without donor restrictions net assets for an operating reserve or board-designated endowment.

Net assets with donor restrictions – Net assets subject to donor or certain grantor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments with a maturity date of three months or less to be cash equivalents. The Organization had no cash equivalents at June 30, 2019 and 2018.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statements of activities and changes in net assets as net assets released from restrictions.

CASA JEFFERSON, INC.

Notes to Financial Statements

June 30, 2019 and 2018

1. Summary of Significant Accounting Policies (continued)

Grant Revenues

Revenues from the federal and state grants are recorded when the Organization has a right to reimbursement under the related grant, generally corresponding to the incurring of grant related costs by the Organization, or when otherwise earned under the terms of the grants.

Donated Services and In-kind Support

Members of the Organization's board of directors and other volunteers have made significant contributions of their time to assist in the Organization's operations and related charitable programs. The value of this contributed time is not recorded in these financial statements as it does not meet the criteria for recognition under GAAP.

Functional Expenses

The costs of program and supporting services activities has been summarized on a functional basis in the statements of activities and statements of functional expenses. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs, primarily salaries, benefit and related expenses for certain individuals have been allocated among the programs and supporting services benefited. The allocation between functions is based on time spent by specific employees as estimated by management. All other costs are charged directly to the appropriate functional category.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Service Code and from Louisiana income taxes under Section 121(5) of Title 47 of the Louisiana Revised Statutes of 1950. Accordingly, no provision for income taxes has been included in the financial statements.

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Organization and various positions related to the potential sources of unrelated business taxable income (UBIT).

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that could affect reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expense during the reporting period. Actual results and the results of future periods could differ from those estimates.

CASA JEFFERSON, INC.

Notes to Financial Statements

June 30, 2019 and 2018

1. Summary of Significant Accounting Policies (continued)

New Accounting Pronouncements - Adopted

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly. ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities has been applied retrospectively to all periods presented, except as provided for in the ASU.

Accounting Pronouncements Issued But Not Yet Adopted

In February 2016, the FASB issued ASU No. 2016-02, “Leases.” This accounting standard requires lessees to recognize assets and liabilities related to lease arrangements longer than 12 months on the balance sheet as well as additional disclosures. The updated guidance is effective for annual periods beginning after December 15, 2020.

The Organization is currently assessing the impact of these pronouncements on its financial statements.

2. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Financial assets at year-end:		
Cash	\$	137,330
Grants Receivable		56,534
Accounts receivable		6,943
Total financial assets	\$	<u>200,807</u>
Less funds subject to donor-imposed restrictions:		
Assets with donor-imposed restrictions, programs	\$	<u>41,522</u>
Total funds subject to donor-imposed restrictions	\$	<u>41,522</u>
Total available financial assets	\$	<u><u>159,285</u></u>

As part of the Organization’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

CASA JEFFERSON, INC.

Notes to Financial Statements

June 30, 2019 and 2018

3. Concentration of Credit Risk

The Organization maintains its cash in a bank deposit account at one financial institution. Custodial credit risk is the risk that in the event of a bank failure, the Organization's deposits may not be returned to them. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2019 and 2018, the amounts on deposit by the Organization were covered by FDIC insurance.

4. Grants Receivable

Grants receivable to the Organization at June 30, 2019 and 2018 consist of the following:

	<u>2019</u>		<u>2018</u>
Louisiana Supreme Court CASA Assistance Program	\$ 32,480	\$	31,581
Crime Victims Assistance	24,054		23,246
Totals	<u>\$ 56,534</u>	\$	<u>54,827</u>

5. Net Assets with Donor Restrictions

Net assets with donor restrictions at June 30, 2019 and 2018, consist of:

	<u>2019</u>		<u>2018</u>
Jefferson Parish Juvenile Court	\$ 32,846	\$	23,265
Greater New Orleans Foundation	175		1,786
Fore! Kids	5,026		3,731
Projects	3,474		9,063
Totals	<u>\$ 41,522</u>	\$	<u>37,845</u>

Net assets were released from restrictions for satisfaction of purpose during the years ended June 30, 2019 and 2018:

	<u>2019</u>		<u>2018</u>
Louisiana Supreme Court CASA Assistance Program	\$ 431,514	\$	453,445
Louisiana Commission on Law Enforcement	94,693		92,959
Jefferson Parish Juvenile Court	50,418		65,590
Greater New Orleans Foundation	1,611		6,6669
Fore! Kids	3,705		4,492
Projects	8,464		4,662
Totals	<u>\$ 590,405</u>	\$	<u>627,817</u>

CASA JEFFERSON, INC.

Notes to Financial Statements

June 30, 2019 and 2018

6. Special Events

The Wine Tasting Event is the Organization's most significant fundraising event beginning in fiscal year 2019. During the year ended June 30, 2019, the Wine Tasting Event was held on April 24, 2019. The I Am for Child Music Festival was the Organization's most significant fundraising event in fiscal year 2018. The funds raised at the events are for the purpose of enabling the Organization to provide advocates for children in the community.

7. Operating Lease

CASA Jefferson, Inc. entered into a sixty-two month lease agreement for office space on October 22, 2015. The lease agreement requires the Organization to make monthly lease payments in the amount of \$5,707 for periods January 1, 2016 to December 31, 2018, \$5,831 for periods January 1, 2019 to December 31, 2019 and \$5,955 for periods January 1, 2020 to December 31, 2020. Rent expense for the years ended June 30, 2019 and 2018, amounted to \$69,227 and \$68,483, respectively.

Future minimum lease payments required under the operating lease are as follows:

<u>Year</u>	<u>Amount</u>
2020	\$ 70,716
2021	35,730
	<u>\$ 106,446</u>

8. Contingencies

Grant Programs

The Organization participates in a number of state and federal grant programs, which are governed by various rules and regulations. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that Organization has not complied with the rules and regulations governing the grants, refunds of any money received and the collectability of any related receivable as of June 30, 2019 and 2018 might be impaired. In management's opinion, there are no significant contingent liabilities relating to compliance with the rules and regulations governing state and federal grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies. Audits of prior years have not resulted in any significant disallowed costs or refunds. Any costs that would be disallowed would be recognized in the period when the grantor agency notifies the Organization.

If significant budget cuts are made at the federal or state level, the amount of funds the Organization received could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will significantly affect the amount of funds the Organization will receive in fiscal year 2020 related to its federal and state grant awards.

CASA JEFFERSON, INC.

Notes to Financial Statements

June 30, 2019 and 2018

8. Contingencies (continued)

Significant Grants / Cooperative Endeavor Agreement

For the years ended June 30, 2019 and 2018, \$293,311 and \$311,237, respectively, of the Organization's governmental financial assistance was from TANF (CFDA No. 93.558), \$138,203 and \$142,208, respectively, in financial assistance was from the Louisiana Supreme Court CASA Assistance Program. The Louisiana Commission on Law Enforcement provided \$94,693 and \$92,960, respectively, for the years ended June 30, 2019 and 2018. In each year, \$60,000 of the Organization's governmental financial assistance was from a cooperative endeavor agreement provided by the Jefferson Parish Juvenile Court System. Management believes that the Organization is in compliance with the provisions of these grant/cooperative endeavor agreements and that the findings of an audit, if any, would not have a material impact on the financial statements. \$585,331 of these grants/cooperative endeavor agreements have been approved to the Organization for the 2020 fiscal year.

9. Subsequent Events

Management of the Organization has evaluated subsequent events through the date that the financial statements were available to be issued, December 18, 2019, and determined that no items require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

CASA JEFFERSON, INC.

Supplementary Information

June 30, 2019

CASA JEFFERSON, INC.
Schedule of Compensation, Benefits, and
Other Payments to Agency Head or Chief Executive Officer
For the year ended June 30, 2019

Agency Head Name: Rosanna Gonzalez, Executive Director

Purpose	
Salary (Contract Payments)	\$ 57,254
Benefits-Insurance	5,906
Benefits-retirement	2,166
Benefits-FICA, Medicare & SUTA	4,187
Benefits	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel (mileage)	176
Registration fees	-
Conference travel	-
Continuing professional education fees	450
Housing	-
Unvouchered expenses	-
Special meals	-

Louisiana Revised Statute 24:513(A)(3) as amended by Act 706 of the 2014 Regular Legislative Session requires that the total compensation, reimbursements, and benefits of an agency head or political subdivision head or chief executive officer related to the position, including but not limited to travel, housing, unvouchered expense, per diem, and registration fees to be reported as a supplemental report within the financial statement of local government and quasi-public auditees. In 2015, Act 462 of the 2015 Regular Session of the Louisiana Legislature further amended R.S. 24:513(A)(3) to clarify that nongovernmental entities or not-for-profit entities that received public funds shall report only the use of public funds for the expenditures itemized in the supplemental report.

See independent auditors' report.



Independent Auditors' 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

The Board of Directors
CASA Jefferson, Inc.

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 Jefferson, Inc. (CASA), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 18, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered CASA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CASA's internal control. Accordingly, we do not express an opinion on the effectiveness of CASA'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 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 our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether CASA'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 statement amounts. 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*.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Richard CPAS

December 18, 2019



INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of CASA Jefferson, Inc.
And the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the management of CASA Jefferson, Inc. (CASA)(the "Entity") and the Louisiana Legislative Auditor (LLA) (the specified parties) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. CASA's management is responsible for those C/C areas identified in the SAUPs.

This agreed upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

a) *Budgeting*, including preparing, adopting, monitoring, and amending the budget.

We performed the procedures above and noted no exceptions.

b) *Purchasing*, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

We performed the procedures above and noted no exceptions.

c) *Disbursements*, including processing, reviewing, and approving.

We performed the procedures above and noted no exceptions.

Written Policies and Procedures (continued)

- d) *Receipts/Collections*, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

We performed the procedures above and noted the following exception:

- **No written policies regarding management's actions to determine the completeness of all collections for each type of revenue or agency fund additions.**

- e) *Payroll/Personnel*, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

We performed the procedures above and noted no exceptions.

- f) *Contracting*, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

We performed the procedures above and noted no exceptions.

- g) *Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)*, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

We performed the procedures above and noted no exceptions.

- h) *Travel and expense reimbursement*, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

We performed the procedures above and noted no exceptions.

- i) *Ethics*, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

Not applicable to non-profit organizations.

- j) *Debt Service*, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Not applicable to non-profit organizations.

Written Policies and Procedures (continued)

- k) *Disaster Recovery/Business Continuity*, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

We performed the procedures above and noted the following exception:

- **No written policies regarding periodic testing/verification that backups can be restored, use of antivirus software on all systems, timely application of all available system and software patches/updates, and identification of personnel, processes and tools needed to recover operations after a critical event.**

Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

We performed the procedures above and noted no exceptions.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a. Employees that are responsible for cash collections do not share cash drawers/registers.

We performed the procedures above and noted no exceptions due to no cash drawers/registers.

- b. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

We performed the procedures above and noted no exceptions.

- c. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

We performed the procedures above and noted no exceptions.

Collections (continued)

- d. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

We performed the procedures above and noted no exceptions.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

We performed the procedures above and noted no exceptions.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- a. Observe that receipts are sequentially pre-numbered.

We performed the procedures above and noted the following exception:

- **Receipts are not sequentially pre-numbered because CASA does not use a receipt book to issue receipts.**

- b. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

We performed the procedures above and noted the following exceptions:

- **Pre-numbered receipts were not traced to the deposit slips because there is no receipt book with pre-numbered receipts and for one of two deposits selected, not all deposits were logged on the Etapestry report.**

- c. Trace the deposit slip total to the actual deposit per the bank statement.

We performed the procedures above and noted no exceptions.

- d. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

We performed the procedures above and noted the following exceptions:

- **One out of two deposits selected were not deposited within one business day of receipt at the collection location.**

- e. Trace the actual deposit per the bank statement to the general ledger.

We performed the procedures above and noted no exceptions.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

We performed the procedures above and noted no exceptions.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

We performed the procedures above and noted no exceptions.

- b) At least two employees are involved in processing and approving payments to vendors.

We performed the procedures above and noted no exceptions.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

We performed the procedures above and noted no exceptions.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

We performed the procedures above and noted the following exception:

- **The Director of Operations processes payments and mails the signed checks to the vendors.**

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a. Observe that the disbursement matched the related original invoice/billing statement.

We performed the procedures above and noted no exceptions.



Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases) (continued)

- b. Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

We performed the procedures above and noted no exceptions.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - a. If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

We performed the procedures above and noted the following exceptions:

- **For one of the five expense reimbursements selected, the number of miles reimbursed for personally owned vehicle travel for one roundtrip for one employee exceeded the number of miles allowed by the State of Louisiana.**
- b. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

We performed the procedures above and noted no exceptions.

- c. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

We performed the procedures above and noted no exceptions.

- d. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

We performed the procedures above and noted no exceptions.

Management's Response

Written Policies and Procedures

1d) Receipts/Collections/: CASA Jefferson, Inc. has included into the fiscal policy and procedures the steps that are used to record contributions/donations via donor software. Our program continues to use Etapestry – a data base system offered through Blackbaud – for recording donation revenue. The Executive Director collects copies of all contributions and records the contribution in the donor software system as the contributions are received. Once the contribution has been recorded into the system, an acknowledgment letter/receipt is generated. The Executive Director mails out the acknowledgement letter/receipt to the donor and maintains a copy of the contribution (check) and receipt separate from what is provided to the Director of Operations. Each month, the Executive Director will compare the general ledger to a report generated by the donor software system to ensure that donations/contributions are recorded adequately. Additionally, each month, financial reports are reviewed by both an external auditor and the board treasurer.

CASA program will incorporate the above procedure into the written fiscal control policy.

1k) Disaster Recovery/Business Continuity: CASA Jefferson, Inc. has a Risk Management Policy, Crisis Management Plan as well as a Hurricane Procedures Plan for situations out of CASA's control. All of these policies address different aspects of recovery and action steps for emergency situations. CASA's main data software is not housed on site, it is an online system called Optima which is developed by Envito Solutions which is located in Carefree, Arizona. Envito Solutions takes care of backups to the data stored in their software system and ensures that the data is protected through encrypted security stored in the US and kept behind super thick cement walls with 24/7 guarded monitoring.

CASA office also contracts with an outsource IT company called Interactive Information Systems located in Harahan, LA. Interactive Information Systems monitors all CASA computers and ensures that all computers have antivirus software installed, Interactive Information Systems, LLC also ensure that updates are provided to all software and computers and is available on a quick turnaround to ensure that data is recovered in case of emergencies. Interactive Information Systems also ensures that external hard drives are available for Director of Operations and Executive Director to backup critical data.

Although CASA has an internal procedure for the confidential & critical data, CASA will include this procedure for business continuity or disaster recovery in its Crisis Management Plan, Risk Management Plan and Hurricane Procedures.

Collections

7 a) Receipts are sequentially pre-numbered: CASA Jefferson Inc. utilizes an online donor-based system (Etapestry) which generates a receipt when a donation/contribution is received. The receipts are not pre-numbered.



7 b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip:

CASA Jefferson Inc. utilizes an online donor-based system (Etapestry) which generates a receipt when a donation/contribution is received. The receipts are not pre-numbered.

7 d) Observe that the deposits are made within one business day of receipt at the collection location:

CASA Jefferson Inc. Fiscal Control policy states that deposits will be made within 48 hours of receipt of funds. CASA Jefferson is a small non-profit organization which has only two administrative positions that handle accounts receivables – Executive Director and Director of Operations. The other seven employees are federally funded to provide direct services to children. Executive Director designated the Training Coordinator to assist with deposits. Deposits are made within 48 hours as outlined by the Fiscal Control Policy.

9 d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payment:

CASA Jefferson is a small non-profit organization which has only two administrative positions that handle accounts receivables – Executive Director and Director of Operations. The other seven employees are federally funded to provide direct services to children. Executive Director will designate the Program Assistant to mail out the signed checks to the vendors.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14 a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov)

CASA Jefferson will ensure that all reimbursements made through state and federal funded grants adhere not only to the per diem guidelines, but also the number of miles allowable by the State of Louisiana for reimbursement of personal vehicle used by employee. When applicable and available, CASA will rent a vehicle for state travel (more than 99 miles roundtrip).

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Richard CPAS

Metairie, Louisiana
December 18, 2019