

CASA – NEW ORLEANS
FINANCIAL STATEMENTS
AND
AUDITOR'S REPORT
DECEMBER 31, 2018

CASA – NEW ORLEANS

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A LIMITED LIABILITY COMPANY

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
CASA – New Orleans

We have audited the accompanying financial statements of CASA – New Orleans (a non-profit corporation), which comprise the statement of financial position as of December 31, 2018, and the related statements 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 of 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 statement 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 CASA – New Orleans as of December 31, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules listed in the table of contents are presented for the purpose 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 statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2019, on our consideration of CASA – New Orleans' 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 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* and should be considered in assessing the results of our audit.

Justin J. Scanlan, CPA, LLC

New Orleans, Louisiana
March 28, 2019

CASA - New Orleans
STATEMENT OF FINANCIAL POSITION
December 31, 2018

ASSETS

Current assets

Cash	\$ 22,787
Grants receivable (Notes A4 and B)	<u>49,608</u>
Total current assets	<u>72,395</u>
Total assets	<u>\$ 72,395</u>

LIABILITIES AND NET ASSETS

Current liabilities

Accounts payable and accrued liabilities	\$ 5,399
Annual leave payable	<u>16,650</u>
Total current liabilities	<u>22,049</u>
Total liabilities	<u>22,409</u>
Commitment (Note C)	-
Net assets	
Without donor restrictions	<u>50,346</u>
Total net assets	<u>50,346</u>
Total liabilities and net assets	<u>\$ 72,395</u>

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

CASA - New Orleans

STATEMENT OF ACTIVITIES

For the year ended December 31, 2018

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
REVENUE			
United Way			
Grants	\$ -	\$ 25,000	\$ 25,000
Other	7,696	-	7,696
Grant appropriations - Government (Note G)	-	252,742	252,742
Grant appropriations - other	-	77,550	77,550
Contributions	120,567	-	120,567
Special event, net of direct expenses of \$11,907	19,623	-	19,623
Other	14,914	-	14,914
In-kind contribution (Note A7)	9,000	-	9,000
Net assets released from restrictions	<u>377,442</u>	<u><377,442></u>	<u>-</u>
Total revenues	<u>549,242</u>	<u><22,150></u>	<u>527,092</u>
EXPENSES			
Program services			
Special advocate	<u>432,746</u>	<u>-</u>	<u>432,746</u>
Total program services	<u>432,746</u>	<u>-</u>	<u>432,746</u>
Supporting services			
Management and general	96,643	-	96,643
Fund raising	<u>19,074</u>	<u>-</u>	<u>19,074</u>
Total supporting services	<u>115,717</u>	<u>-</u>	<u>115,717</u>
Total expenses	<u>548,463</u>	<u>-</u>	<u>548,463</u>
Increase <decrease> in net assets	779	<22,150>	< 21,371>
Net assets, beginning of year	<u>49,567</u>	<u>22,150</u>	<u>71,717</u>
Net assets, end of year	<u>\$ 50,346</u>	<u>\$ -</u>	<u>\$ 50,346</u>

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

CASA - New Orleans
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended December 31, 2018

	<u>PROGRAM SERVICES</u>	<u>SUPPORTING SERVICES</u>		<u>SUPPORTING SERVICES SUBTOTAL</u>	<u>TOTAL</u>
	<u>SPECIAL ADVOCATE</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUND RAISING</u>		
Salaries	\$ 241,174	\$ 62,487	\$ 12,497	\$ 74,984	\$ 316,158
Fringe benefits	70,701	13,961	3,275	17,236	87,937
Travel	11,025	1,416	-	1,416	12,441
Occupancy	40,906	4,545	-	4,545	45,451
Supplies	7,585	816	933	1,749	9,334
Board generated self support	-	-	630	630	630
Training advocates	2,080	-	-	-	2,080
Other expenses	50,275	13,418	1,739	15,157	65,432
Inkind/non-cash contribution (Note A7)	<u>9,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,000</u>
Total expenses	<u>\$ 432,746</u>	<u>\$ 96,643</u>	<u>\$ 19,074</u>	<u>\$ 115,717</u>	<u>\$ 548,463</u>

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

CASA - New Orleans

STATEMENT OF CASH FLOWS

For the year ended December 31, 2018

Cash flows from operating activities:	
Change in net assets	\$ < 21,371 >
<Increase> decrease in grants receivable	< 14,007 >
Increase <decrease> in accounts payable and accrued liabilities	461
Increase <decrease> in annual leave payable	<u>< 117 ></u>
Net cash provided by <used in> operating activities	<u>< 35,034 ></u>
Net increase <decrease> in cash and cash equivalents	< 35,034 >
Cash and cash equivalents, beginning of year	<u>57,821</u>
Cash and cash equivalents, end of year	<u>\$ 22,787</u>

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

CASA - New Orleans

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. Organization

CASA - New Orleans is a non-profit corporation organized under the laws of the State of Louisiana. It trains volunteers to become Court Appointed Special Advocates for abused and neglected children in the juvenile justice system.

The corporation's major program is the training of volunteers to serve as special advocates in the juvenile justice system.

2. Financial Statement Presentation

Net assets and revenues, gains and losses are classified based on donor-imposed restrictions accordingly, net assets of CASA – New Orleans and changes therein are classified and reported as follows:

The net assets and changes therein are classified as follows:

Without Donor Restrictions – Those resources that are not subject to donor-imposed restrictions. The board of directors has discretionary control over these resources. Designated amounts represent those net assets that the board has set aside for a particular purpose.

With Donor Restrictions – Those resources subject to donor-imposed restrictions that will be satisfied by action of CASA – New Orleans, or by the passage of time.

3. Revenue Recognition

Contributed support is reported as Without Donor Restrictions or With Donor Restrictions 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 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 recognized as it is earned in accordance with approved contracts.

4. Receivables

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

CASA - New Orleans

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

5. **Depreciation and Amortization**

Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives. Leasehold improvements are amortized over the lives of the respective leases or the service lives of the improvements, whichever is shorter. The straight-line method of depreciation is followed for substantially all assets for financial reporting purposes. There was no depreciation expense for the year ended December 31, 2018.

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

6. **Functional Allocation of Expenses**

The expenses of providing the program and other activities have been summarized on a functional basis in the statement of functional expenses. Certain of those expenses have been allocated among the program and supporting services benefited based on estimates by management of the costs involved.

7. **In-Kind Support**

CASA – New Orleans receives rent-free use of office space from the Orleans Parish Juvenile Court (\$9,000). The estimated value of the contributed rents are recognized as revenue and expense in the statement of activities.

8. **Cash equivalents**

For purposes of the statement of cash flows, the corporation considers all investments with original maturities of three months or less to be cash equivalents.

9. **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.

10. **Fair Values of Financial Instruments**

Cash and cash equivalents carrying amounts reported in the Statement of Financial Position approximate fair values because of the short maturities of those investments.

11. **Subsequent Events**

The subsequent events of the organization were evaluated through the date the financial statements were available to be issued (March 28, 2019).

CASA - New Orleans

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2018

NOTE B - GRANTS RECEIVABLE

Grants Receivables at December 31, 2018 consist of the following:

Supreme Court of Louisiana	\$ 11,112
Louisiana Commission on Law Enforcement and Administration of Criminal Justice	<u>38,496</u>
	<u>\$ 49,608</u>

NOTE C - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

CASA - New Orleans maintains operating revenue for general expenditures. The current financial assets totaled \$22,787 at December 31, 2018 are available for general expenditures, that is, without donor or other restrictions limiting their use.

As part of CASA - New Orleans' liquidity management, it primarily maintains its current assets in cash and cash equivalents.

NOTE D - COMMITMENT

The corporation leases its administrative and program offices under an operating lease expiring July 31, 2020. Rent expense for the year ended December 31, 2018 totaled \$41,390. The following is a schedule of minimum rental payments due under its operating lease.

Year ending December 31,	
2019	\$ 41,750
2020	<u>24,354</u>
	<u>\$ 66,104</u>

The corporation also has offices in the Orleans Parish Juvenile Court (see Note A7).

NOTE E - INCOME TAXES

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

CASA - New Orleans has adopted the provisions of FASB ASC 740-10-25, which requires a tax position be recognized or derecognized based on a "more likely than not" threshold. This applies to positions taken or expected to be taken in a tax return. CASA - New Orleans does not believe its financial statements include any uncertain tax positions.

CASA - New Orleans

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2018

NOTE F - BOARD OF DIRECTORS COMPENSATION

The Board of Directors is a voluntary board; therefore, no compensation was paid to any board member for the year ended December 31, 2018.

NOTE G – SUMMARY OF FUNDING

CASA – New Orleans’ funding for governmental grants consist of the following.

<u>Grants</u>	<u>Periods</u>	<u>Grant Award</u>	<u>Revenue Recognized</u>
<u>Governmental</u>			
Louisiana Commission on Law Enforcement and Administration of Criminal Justice			
CASA New Orleans 9	7/1/18-6/30/19	\$ 61,632	\$ 27,430
CASA Program 7	7/1/17-12/31/18	75,480	38,221
CASA Program 9	7/1/17-6/30/18	64,761	29,862
State of Louisiana – Supreme Court	7/1/18-6/30/19	166,165	69,815
	7/1/17-6/30/18	176,798	<u>87,414</u>
Total governmental grants			<u>\$ 252,742</u>

NOTE H - CONCENTRATION OF CREDIT RISK

Two government agencies account for 100% of total grants receivable at December 31, 2018.

One government agency accounts for 62% of total government grants at December 31, 2018.

NOTE I – ECONOMIC DEPENDENCY

CASA – New Orleans received the majority of its revenue from funds provided through grants administered by the State of Louisiana. The grant amounts are appropriated each year by the federal and state government. If significant budget cuts are made at the federal and/or state level, the amount of the funds the corporation receives could be reduced significantly and have an adverse impact on its operations. At the time of completion of the examination of the corporation’s financial statements, management was not aware of any actions taken that would adversely affect the amount of funds the corporation will receive in the next fiscal year.

The corporation's support through federal grants totaled 48% for the year ended December 31, 2018.

SUPPLEMENTAL INFORMATION

CASA - New Orleans

STATEMENT OF ACTIVITIES – LOUISIANA
SUPREME COURT TANF PROGRAM

For the year ended December 31, 2018

	For the period January 1, 2018 through <u>June 30, 2018</u>	For the period July 1, 2018 through <u>December 31, 2018</u>	<u>Total</u>
REVENUE			
Grant appropriations	\$ 87,414	\$ 69,815	\$ 157,229
Total revenue	<u>87,414</u>	<u>69,815</u>	<u>157,229</u>
EXPENSES			
Salaries	30,420	30,419	60,839
Fringe benefits	8,960	7,390	16,350
Professional services	413	768	1,181
Operating expenses	25,230	23,302	48,532
Travel	3,753	432	4,185
Training	200	371	571
Supplies	5,106	714	5,820
Equipment	-	-	-
Printing	1,585	158	1,743
Administration	<u>11,747</u>	<u>6,291</u>	<u>18,038</u>
Total expenses	<u>87,414</u>	<u>69,845</u>	<u>157,259</u>
Increase <decrease> in net assets	<u>\$ -</u>	<u>\$ <30></u>	<u>\$ <30></u>

CASA - New Orleans

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

For the year ended December 31, 2018

Agency Head Name: Joy M. Bruce

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 67,900
Benefits - hospitalization	7,173
Travel	446
Reimbursements - other	450

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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
CASA – New Orleans

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 – New Orleans (a nonprofit organization), which comprise the statement of the financial position as of December 31, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 28, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered CASA – New Orleans' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CASA-New Orleans' internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 over financial reporting 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-New Orleans's financial statements are free of 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 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, this report is distributed by the Legislative Auditor as a public document.

Justin J. Scanlon, CPA, LLC

New Orleans, Louisiana
March 28, 2019

CASA-NEW ORLEANS
SCHEDULE OF FINDINGS AND RESPONSES

For the year ended December 31, 2018

A. FINDINGS – FINANCIAL STATEMENTS AUDIT

There were no financial statement findings for the year ended December 31, 2018.

B. QUESTIONED COSTS

There were no questioned costs for the year ended December 31, 2018.

C. STATUS OF PRIOR YEAR AUDIT FINDINGS

There were no prior year audit findings.