

**Capital Area  
CASA Association**

Baton Rouge, Louisiana

Year Ended December 31, 2019

*Financial Statements  
and Supplementary Information*

*and*

*Agreed-Upon Procedures*

William D. Mercer, CPA  
A PROFESSIONAL ACCOUNTING CORPORATION

## CONTENTS

	<u>Page</u>
Independent Auditor's Report	3 – 4
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	5 – 6
Statement of Financial Position	7 – 8
Statement of Activities	9
Statement of Functional Expenses	10
Statement of Cash Flows	11
Notes to the Financial Statements	12 – 22
Schedule of Findings	23
Schedule of Prior Year Findings	24
Supplementary Information:	
Schedule of CASA Assistance Program Grant Revenue and Expenses	26
Schedule of Compensation, Benefits, and Other Payments to Agency Head	27
Independent Accountant's Report on Applying Agreed-Upon Procedures	28 – 33



# WILLIAM D. MERCER, CPA

A PROFESSIONAL ACCOUNTING  
CORPORATION

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Capital Area CASA Association  
Baton Rouge, Louisiana

### **Report on the Financial Statements**

I have audited the accompanying financial statements of Capital Area CASA Association (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, 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***

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 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 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 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.

***Opinion***

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Capital Area CASA Association as of December 31, 2019, and the changes in its net assets and its cash flows for the years 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 basic financial statements that collectively comprise Capital Area CASA Association's basic financial statements. The supplemental schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental schedules listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the supplemental schedules listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, I have also issued my report dated September 28, 2020, on my consideration of Capital Area CASA Association's internal control over financial reporting and on 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 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 Capital Area CASA Association's internal control over financial reporting and compliance.

WILLIAM S. MERCER, CPA (APAC)

Baton Rouge, Louisiana  
September 28, 2020



WILLIAM D. MERCER, CPA

A PROFESSIONAL ACCOUNTING  
CORPORATION

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

To the Board of Directors  
Capital Area 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 Capital Area CASA Association, which comprise the statement of financial position as of December 31, 2019, 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 my report thereon dated September 28, 2020.

**Internal Control over Financial Reporting**

In planning and performing my audits of the financial statements, I considered Capital Area CASA Association's 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 effectiveness of Capital Area CASA Association's internal control. Accordingly, I do not express an opinion on the effectiveness of Capital Area CASA Association'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 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.

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 audits I did not identify any deficiencies in internal control that I consider to material weaknesses. However, material weaknesses may exist that have not been identified.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Capital Area CASA Association's financial statements are free of 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 audits, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that is 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 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.

WILLIAM J. MORGAN, CPA (NAC)

Baton Rouge, Louisiana  
September 28, 2020

CAPITAL AREA CASA ASSOCIATION  
Baton Rouge, Louisiana

STATEMENT OF FINANCIAL POSITION

December 31, 2019

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ASSETS

CURRENT:

Cash and cash equivalents	\$	287,317
Investments		795,055
Grants receivable		<u>119,017</u>
Total Current Assets		<u>1,201,389</u>

PROPERTY AND EQUIPMENT:

Building and improvements		1,477,871
Equipment and furniture		113,289
Land		<u>80,000</u>

		1,671,160
Less accumulated depreciation		<u>469,742</u>

Net Property and Equipment		<u>1,201,418</u>
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TOTAL ASSETS	\$	<u><u>2,402,807</u></u>
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The accompanying notes are an integral part of these financial statements.

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LIABILITIES

CURRENT:

Accounts payable	\$	3,278
Payroll liabilities		<u>521</u>

TOTAL LIABILITIES (all current)		<u>3,799</u>
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NET ASSETS

With donor restrictions:

Educational services		9,497
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Without donor restrictions		<u>2,389,511</u>
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TOTAL NET ASSETS		<u>2,399,008</u>
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TOTAL LIABILITIES AND NET ASSETS	\$	<u><u>2,402,807</u></u>
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The accompanying notes are an integral part of these financial statements.



CAPITAL AREA CASA ASSOCIATION  
Baton Rouge, Louisiana

STATEMENTS OF ACTIVITIES

Year Ended December 31, 2019

	<u>With Donor Restrictions</u>	<u>Without Donor Restrictions</u>	<u>Totals</u>
<b>REVENUES AND OTHER SUPPORT:</b>			
Court costs	\$ -	\$ 72,042	\$ 72,042
Donated services	-	346,176	346,176
Fundraising events	-	107,296	107,296
Grant income	-	591,358	591,358
Investment income, net	-	75,663	75,663
Other donations	-	151,823	151,823
Other revenues	-	59	59
Net assets released from restrictions	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Revenues</b>	<u>-</u>	<u>1,344,417</u>	<u>1,344,417</u>
<b>EXPENSES:</b>			
Program services	-	1,015,264	1,015,264
Supporting services:			
Management services	-	101,345	101,345
Fundraising	<u>-</u>	<u>186,615</u>	<u>186,615</u>
<b>Total Expenses</b>	<u>-</u>	<u>1,303,224</u>	<u>1,303,224</u>
<b>Change in net assets</b>	-	41,193	41,193
<b>NET ASSETS, beginning of year</b>	<u>9,497</u>	<u>2,348,318</u>	<u>2,357,815</u>
<b>NET ASSETS, end of year</b>	\$ <u><u>9,497</u></u>	\$ <u><u>2,389,511</u></u>	\$ <u><u>2,399,008</u></u>

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

CAPITAL AREA CASA ASSOCIATION  
Baton Rouge, Louisiana

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2019

	<u>Program Services</u>	<u>Management Services</u>	<u>Fundraising</u>
Audit	\$ -	\$ 15,000	-
Casual labor	-	8,983	-
Depreciation	31,452	3,240	2,293
Dues	375	-	-
Equipment expense	26,549	2,735	1,936
Fundraising expense	-	-	134,471
Insurance – health	32,875	3,386	2,397
Insurance – liability	22,412	2,309	1,634
Insurance – workers compensation	2,257	233	165
Miscellaneous	-	3,689	-
Mileage	4,383	452	319
Payroll taxes	37,301	3,842	2,719
Postage	2,302	237	168
Printing	625	64	46
Repairs and maintenance	28,695	2,956	2,092
Retirement contributions	11,178	1,151	815
Salaries	493,012	50,785	35,944
Staff training	2,618	-	-
Supplies	4,379	451	319
Telephone	9,528	981	695
Utilities	8,258	851	602
Volunteer recruitment	46,591	-	-
Volunteer recognition	836	-	-
Volunteer services	235,177	-	-
Volunteer training	<u>14,463</u>	<u>-</u>	<u>-</u>
Totals	\$ <u>1,015,264</u>	\$ <u>101,345</u>	\$ <u>186,615</u>

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

CAPITAL AREA CASA ASSOCIATION  
Baton Rouge, Louisiana

STATEMENTS OF CASH FLOWS

Year Ended December 31, 2019

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CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ 41,193
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	36,985
Unrealized (gain) loss on investments	( 45,926)
(Increase) decrease in:	
Grants receivable	( 44,620)
Prepaid expenses	5,322
Increase (decrease) in:	
Accounts payable	1,512
Payroll liabilities	( 48)
Net cash used by operating activities	( 5,582)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Cash payments for purchase of investments	( 303,251)
Cash proceeds from sales of assets	<u>247,674</u>
Net cash used by investing activities	( 55,577)
NET DECREASE IN CASH	( 61,159)
CASH AND CASH EQUIVALENTS, beginning of year	<u>348,476</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 287,317</u>

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

CAPITAL AREA CASA ASSOCIATION  
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

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NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Capital Area CASA Association (the Organization) is a nonprofit organization organized in May 1992, for the purpose of recruiting and training volunteers who will become court-appointed advocates for abused and neglected children. The Organization's stated goal is "a safe and permanent home for every child." The Organization is funded primarily through grants from various organizations and state agencies, as well as contributions.

Method of accounting

The accompanying financial statements have been prepared using the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America.

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 affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Organization regularly assesses these estimates and, while actual results could differ, management believes that the estimates are reasonable.

Significant estimates included in or affecting the presentation of the accompanying financial statements include estimated useful lives of property and equipment.

CAPITAL AREA CASA ASSOCIATION  
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

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NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of presentation

Net assets of the Organization and changes therein are classified and reported as follows:

*Without donor restrictions* – Net assets that are not subject to donor-imposed stipulations. This also includes previously restricted gifts and grants for buildings and equipment that have been placed into service.

*With donor restrictions* – Net assets subject to donor-imposed stipulations that will be met either by actions of the Organization and/or the passage of time. Items that affect this net asset category are gifts for which donor-imposed restrictions have not been met in the year of receipt, including gifts and pledges for buildings and equipment not yet placed in service. Also included in this net asset category are net assets subject to donor-imposed restrictions to be maintained permanently by the Organization, including gifts and pledges wherein donors stipulate that the corpus of the gift be held in perpetuity and that only income be made available for program operations.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed stipulations. Expenses are recorded as decreases in unrestricted net assets. Gains and losses on assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated passage of time has elapsed) are reported as net assets released from restrictions.

Cash and cash equivalents

For the purpose of the statement of cash flows, the Organization considers all unrestricted highly liquid investments with an original maturity of three months or less to be cash equivalents.

CAPITAL AREA CASA ASSOCIATION  
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

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NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

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

Property and equipment

All property and equipment is stated at cost. Expenditures for maintenance, repairs, and minor renewals are expensed as incurred. Major expenditures for renewals and betterments are capitalized.

As a general rule, when items are retired or otherwise disposed, accumulated depreciation is reduced by the accumulated amount of depreciation applicable thereto. Any gain or loss from such retirement or disposal is credited or charged to income in the year of the disposal.

Property and equipment and depreciation

The Organization capitalizes fixed assets with a cost of \$ 1,000 or more. The Organizations capitalizes real property improvements and leasehold improvements with a cost of \$ 5,000 or more, and capitalizes repairs with a cost of \$ 5,000 or more if not covered by insurance. Depreciation is computed on the straight-line method over the following estimated useful lives of the various classes of depreciable assets:

Buildings and improvements	10 – 40 years
Equipment and furniture	3 – 10 years
Transportation equipment	3 – 5 years

The useful lives are estimated based on historical experience with similar assets, taking into account anticipated technological or other changes. The Organization periodically reviews these lives relative to physical factors, economic factors, and industry trends. If there are changes in the planned use of property and equipment or if technological changes occur more rapidly than anticipated, the useful lives assigned to those assets may be shortened, resulting in the recognition of increased depreciation and amortization expense in future periods.

CAPITAL AREA CASA ASSOCIATION  
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

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NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated assets and services

The Organization records noncash donations as contributions at their estimated fair value at the date of donation. It receives a substantial amount of services donated by program volunteers acting as court-appointed advocates for children served by the Organization. These services are valued at an hourly rate published by the Independent Sector. The value of these donations is reflected in the financial statements as a component of revenues and expenses.

Revenue recognition

The Organization reports contributions as support with donor restrictions if they are received with donor or grantor restrictions that limit the use of the contributions. When a restriction expires (i.e., when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions are considered to be available for unrestricted use and recorded as such, unless specifically restricted by the donor.

Revenues from government agency contracts and fees are recognized in the period in which the Organization provides the service.

Advertising

The Organization expenses the production costs of advertising the first time the advertising takes place, except for direct response advertising, which is capitalized and amortized over its expected period of future benefits. As of December 31, 2019, the Organization had no advertising classified as assets.

Receivables

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

CAPITAL AREA CASA ASSOCIATION  
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

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NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

The Organization is a not-for-profit organization that is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and from state income tax under Section 121(5) of Title 47 of the Louisiana Revised Statutes. Accordingly, no provision or liability for federal or state income taxes has been included in the accompanying financial statements.

Functional allocation of expenses

The costs of providing programs have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Management of liquid resources

The Organization is primarily funded by contributions and contract fees that may contain restrictions. Those restrictions require that resources be used in a certain manner or in a future period. Therefore, the Organization must maintain adequate resources to meet those responsibilities to its donors and certain financial assets may not be available for general expenditure within one year. As part of its liquidity management, the Organization has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations become due. The Organizations also invests its cash in investments held by Baton Rouge Area Foundation. The Board of Directors may occasionally designate amounts to its liquidity reserve that could be utilized in the event of an unanticipated liquidity need.

Subsequent events

In preparing the accompanying financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through September 28, 2020, the date the financial statements were available to be issued.



CAPITAL AREA CASA ASSOCIATION  
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

NOTE B – CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of December 31, 2019, were as follows:

Cash on hand	\$	-
Cash in bank – checking		219,893
Cash in brokerage account – savings		3,787
Cash in brokerage account – money market		<u>63,637</u>
	\$	<u>287,317</u>

NOTE C – INVESTMENTS

Investments as of December 31, 2019, were as follows:

	<u>Cost</u>	<u>Fair Value</u>	<u>Carrying Value</u>
Certificates of deposit	\$ 125,000	\$ 126,295	\$ 126,295
Mutual funds	<u>649,941</u>	<u>668,760</u>	<u>668,760</u>
	\$ <u>774,491</u>	\$ <u>795,055</u>	\$ <u>795,055</u>

The following summarizes investment income as reported in the statement of activities for the year ended December 31, 2019:

Interest income	\$	3,904
Dividend income		30,109
Realized gains		1,019
Unrealized gains		45,926
Investment expense		<u>(5,295)</u>
	\$	<u>75,663</u>

CAPITAL AREA CASA ASSOCIATION  
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

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NOTE D – DONATED GOOD AND SERVICES

The value of donated goods and services included in the accompanying financial statements and the corresponding expenses for the year ended December 31, 2019, are:

Donated services	\$ <u>346,176</u>
Fundraising expenses – in-kind donations	\$ 110,999
Volunteer services	<u>235,177</u>
	\$ <u>346,176</u>

NOTE E – FINANCIAL INSTRUMENTS

Financial instruments that potentially subject the Organization to concentrations of credit risk and market risk consist of cash and equity investments.

The Organization maintains cash balances at several banks which are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$ 250,000. At times such balances may exceed FDIC insured limits. As of December 31, 2019, the Organization had no cash balances in excess of the insured limits.

Additionally, the Organization maintains an account with a stock brokerage firm. The account contains cash, money market accounts, certificates of deposit, and mutual funds. Balances in this account are insured up to \$ 500,000 (with a limit of \$ 250,000 for cash) by the Securities Investor Protection Corporation (SIPC). At December 31, 2019, the Organization had \$ 3,787 in cash and cash equivalents on deposit with the brokerage firm. At times, such balances may exceed SIPC insured limits.

CAPITAL AREA CASA ASSOCIATION  
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

NOTE E – FINANCIAL INSTRUMENTS (continued)

The fair value of the Organization’s financial instruments as of December 31, 2019, were as follows:

	<u>Carrying value</u>	<u>Fair value</u>
Cash and cash equivalents	\$ 287,317	\$ 287,317
Investments	795,055	795,055
	\$ 1,082,372	\$ 1,082,372

NOTE F – LEASE COMMITMENTS

The Organization leases office equipment under a non-cancelable operating lease agreement expiring in October 2023. Lease expense incurred by the Organization during the year ended December 31, 2019, totaled \$ 2,424.

Future minimum lease payments under the non-cancelable leaser as of December 31, 2019, are as follows:

<u>Year ended</u> <u>December 31,</u>		
2020	\$	2,209
2021		2,209
2022		2,209
2023		1,841
2024		-

CAPITAL AREA CASA ASSOCIATION  
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

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NOTE G – SUPPLEMENTARY CASH FLOW INFORMATION

Cash payments for interest and income taxes for the year ended December 31, 2019, were as follows:

Interest	\$ <u>          -</u>
Income taxes	\$ <u>          -</u>

Noncash investing and financing activities for the year ended December 31, 2019, were as follows:

Donated materials and services having an estimated value of \$ 346,176

NOTE H – ECONOMIC DEPENDENCY

The Organization receives a significant portion of its revenues and other support from federal and state grants. A reduction in revenues generated from those grants, should this occur, could have a significant impact on the Organization's operations.

NOTE I – EMPLOYEE BENEFIT PLAN

The Organization has a defined contribution salary deferral plan covering all employees. Under the plan, the Organization matches the employee's contribution up to three percent of each eligible employee's salary. Plan expenses incurred by the Organization for the year 2019 totaled \$ 13,144.

NOTE J – BOARD DESIGNATED RESERVE

In January 2004, the Board approved the establishment of an operating reserve to segregate an amount from net assets without donor restrictions equaling 50% of the adopted annual budgeted expenditures. For the year ended December 31, 2019, this reserve totaled \$ 438,000.

CAPITAL AREA CASA ASSOCIATION  
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

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NOTE K – AVAILABILITY OF FINANCIAL RESOURCES

The following represents the Organization's financial assets as of December 31, 2019, reduced by amounts that are not available for general use due to contractual or donor-imposed restrictions within one year of the statement of financial position date. Amounts that are not available also include board designated amounts that could be utilized if the Board of Directors approved the use.

Financial assets, December 31, 2019:	
Cash and equivalents	\$ 287,317
Investments	795,055
Grants receivable	<u>119,017</u>
	1,201,389
Less those unavailable for general expenditures within one year, due to:	
Restricted by donor with time or purpose restrictions	9,497
Board designations	<u>438,000</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u><u>753,892</u></u>

NOTE L – CONTINGENCIES

The Organization participates in state and federal grant programs which governed by various rules and regulations. Costs charged to the grant programs are subject to audit and adjustment by the grantor agencies. If the 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 December 31, 2019, 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 agreed upon by the grantor agency and the Organization.

CAPITAL AREA CASA ASSOCIATION  
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

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NOTE M – SUBSEQUENT EVENTS

In January 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a “Public Health Emergency of International Concern,” which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. The coronavirus outbreak and government responses are creating disruption in global supply chains and adversely affecting many industries. The outbreak could have a continued material adverse impact on economic and market conditions and could trigger a period of economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the coronavirus outbreak. The extent to which the pandemic may impact financial markets and the Organization’s financial condition or results of operations cannot be reasonably estimated at this time.

CAPITAL AREA CASA ASSOCIATION  
Baton Rouge, Louisiana

SCHEDULE OF FINDINGS

Year Ended December 31, 2019

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There were no findings for the year ended December 31, 2019.

CAPITAL AREA CASA ASSOCIATION  
Baton Rouge, Louisiana

SCHEDULE OF PRIOR YEAR FINDINGS

Year Ended December 31, 2019

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There were no findings disclosed in the prior audit report dated June 24, 2019, for the year ended December 31, 2018.



SUPPLEMENTARY INFORMATION

CAPITAL AREA CASA ASSOCIATION  
Baton Rouge, Louisiana

SCHEDULE OF CASA ASSISTANCE PROGRAM  
GRANT REVENUES AND EXPENSES  
Year Ended December 31, 2019

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REVENUES:

CASA Assistance Program Federal	\$ 222,865
CASA Assistance Program State	<u>122,763</u>
	<u>345,628</u>

EXPENSES:

Casual labor	6,983
Dues	375
Facility maintenance	360
Equipment expense	7,298
Insurance – health	19,121
Insurance – liability	10,000
Insurance – workers compensation	633
Office expense	1,923
Payroll taxes	17,674
Postage	1,658
Printing	310
Retirement contributions	5,139
Salaries	241,948
Staff training	1,184
Telephone	5,269
Utilities	6,945
Volunteer recruitment	14,997
Volunteer training	<u>3,811</u>
	<u>345,628</u>

Net revenues and expenses \$ -

See auditor's report on supplementary information.

CAPITAL AREA CASA ASSOCIATION  
Baton Rouge, Louisiana

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS  
TO AGENCY HEAD  
Year Ended December 31, 2019

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Agency Head: Elizabeth Betz, Executive Director

No public funds were used to compensate, reimburse, or pay benefits for the agency head for the year ended December 31, 2019.

See auditor's report on supplementary information.



WILLIAM D. MERCER, CPA

A PROFESSIONAL ACCOUNTING  
CORPORATION

INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of Capital Area CASA Association  
And the Louisiana Legislative Auditor  
Baton Rouge, Louisiana

I have performed the procedures enumerated below, which were agreed to by the management of Capital Area CASA Association (the Entity) and the Louisiana Legislative Auditor on the control and compliance areas identified in the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures for the fiscal period January 1, 2019, through December 31, 2019. Capital Area CASA Association's management is responsible for those control and compliance areas identified in the Statewide Agreed-Upon Procedures.

The 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, I make no representation regarding the sufficiency of the procedures described below 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***

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

- 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).
- e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- 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
- 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, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- h) ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- 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.
- j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- 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.

*Written policies and procedures were reviewed. No exceptions were noted.*

### Collections (excluding EFTs)

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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).

*For the period under examination, the Entity's only deposit site was its office located on Louisiana Avenue in Baton Rouge, Louisiana.*

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.
  - 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.
  - 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.
  - 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.

*For the period under examination, the Entity's only deposit site and collection location was at its office on Louisiana Avenue in Baton Rouge, Louisiana. Written policies relating to job duties of collections and deposits were reviewed. No exceptions were noted.*

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

*All employees who have access to cash are covered by an insurance policy for theft.*

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.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- 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).
- e) Trace the actual deposit per the bank statement to the general ledger.

*For the period under examination, the Entity utilized two bank accounts for deposits. Public funds received by the Entity for the period under examination were made by electronic fund transfer (EFT). Thus, no receipts or deposit slips were needed or provided.*

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

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- 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).

*For the period under examination, the only location that processes disbursements is the Entity's office located on Louisiana Avenue in Baton Rouge, Louisiana.*

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

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); should not be reported.])

*Written policies and procedures related to disbursements were examined. The employee responsible for processing payments is not prohibited from adding or modifying vendor files. Additionally, the employee responsible for processing payments also mails those payments to vendors. The Entity's policies and procedures for processing, approval, and payment of vendor disbursements appears to provide adequate documentation and approval by more than one employee to provide reasonable assurance that such vendors and payments are properly authorized.*

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

*No exceptions were noted.*

### ***Contracts***

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14. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
  - a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
  - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
  - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
  - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

*No exceptions were noted.*



I was 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 control and compliance areas identified in the Statewide Agreed-Upon Procedures. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those control and compliance areas identified in the Statewide Agreed-Upon Procedures, and the result of that testing, and not 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 Louisiana Legislative Auditor as a public document.

*William J. Mercer CPA (APAC)*

Baton Rouge, Louisiana  
September 28, 2020