

CAPITAL AREA CASA ASSOCIATION  
BATON ROUGE, LOUISIANA  
FINANCIAL STATEMENTS  
DECEMBER 31, 2018



**CAPITAL AREA CASA ASSOCIATION**

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## INDEPENDENT AUDITORS' REPORT

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

### Report on the Financial Statements

We 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, 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.

### Auditors' 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 judgement, 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 Capital Area CASA Association 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 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 purposes of additional analysis and are 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 statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2019, on our consideration of Capital Area CASA Association'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Capital Area CASA Association's internal control over financial reporting and compliance.

*Chester E. Associates, LLC*

Baton Rouge, LA  
June 24, 2019

**Capital Area CASA Association**  
**STATEMENT OF FINANCIAL POSITION**  
December 31, 2018

**ASSETS**

**Current Assets**

Cash and cash equivalents	\$	348,476
Investments		693,552
Grants receivable		74,397
Prepaid expenses		<u>5,322</u>
<b>Total current assets</b>		<b>1,121,747</b>

**Fixed Assets**

Land		80,000
Building		1,477,871
Furniture and fixtures		113,291
Less: Accumulated depreciation		<u>(432,757)</u>
<b>Net fixed assets</b>		<b>1,238,405</b>

<b>Total assets</b>	<b>\$</b>	<b><u>2,360,152</u></b>
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**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Accounts payable	\$	1,768
Payroll withholding		<u>569</u>
<b>Total current liabilities</b>		<b><u>2,337</u></b>

**Net Assets**

Without donor restrictions		2,348,318
With donor restrictions		<u>9,497</u>

<b>Total net assets</b>		<b><u>2,357,815</u></b>
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<b>Total liabilities and net assets</b>	<b>\$</b>	<b><u>2,360,152</u></b>
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The accompanying notes are an integral part of this statement.

**Capital Area CASA Association**  
**STATEMENT OF ACTIVITIES**  
For the year ended December 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES AND OTHER SUPPORT</b>			
Grant income	\$ 467,281	\$	\$ 467,281
Court costs	64,417		64,417
Dividend income	17,233		17,233
Donated services	200,819		200,819
Interest income	4,396		4,396
Other donations	110,587		110,587
Fundraising events	214,420		214,420
Net assets released from restrictions	0		0
<b>Total revenues and other support</b>	<b>1,079,154</b>	<b>0</b>	<b>1,079,154</b>
<b>EXPENSES</b>			
Program services	917,142		917,142
Management and general	107,598		107,598
Fundraising	142,689		142,689
<b>Total expenses</b>	<b>1,167,429</b>	<b>0</b>	<b>1,167,429</b>
Realized (gain) loss on investments	(10,388)		(10,388)
Unrealized (gain) loss on investments	47,883		47,883
<b>Total expenses, gains and losses</b>	<b>1,204,924</b>	<b>0</b>	<b>1,204,924</b>
Increase (decrease) in net assets	(125,771)	0	(125,771)
Net assets, beginning of year	2,474,089	9,497	2,483,586
Net assets, end of year	<u>\$ 2,348,318</u>	<u>\$ 9,497</u>	<u>\$ 2,357,815</u>

The accompanying notes are an integral part of this statement.

**Capital Area CASA Association**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
For the year ended December 31, 2018

	Program Services Child Advocacy	Management and General	Fundraising	Totals
Audit	\$ 0	\$ 15,000	\$ 0	\$ 15,000
Casual labor	0	18,624	0	18,624
Depreciation	32,211	3,316	2,350	37,877
Equipment expense	20,190	2,078	1,473	23,741
Foster child enrichment fund	12,090	0	0	12,090
Fundraising expense	0	0	96,381	96,381
Insurance:				
Health	28,319	2,915	2,066	33,300
Liability	17,815	1,834	1,299	20,948
Workmen's compensation	1,835	189	134	2,158
Investment expense	0	4,624	0	4,624
Miscellaneous	0	3,997	0	3,997
Mileage	4,031	415	294	4,740
Office supplies	4,776	492	348	5,616
Payroll taxes	33,855	3,485	2,470	39,810
Postage	2,222	229	162	2,613
Printing	2,386	246	174	2,806
Professional dues	375	0	0	375
Repair and maintenance	17,323	1,783	1,264	20,370
Retirement contribution	8,910	917	650	10,477
Salaries	442,922	45,596	32,308	520,826
Staff training	3,796	0	0	3,796
Telephone	10,195	1,050	744	11,989
Utilities	7,847	808	572	9,227
Volunteer recruitment	49,582	0	0	49,582
Volunteer recognition	1,170	0	0	1,170
Volunteer services	200,734	0	0	200,734
Volunteer training	14,558	0	0	14,558
	<u>\$ 917,142</u>	<u>\$ 107,598</u>	<u>\$ 142,689</u>	<u>\$ 1,167,429</u>

The accompanying notes are an integral part of this statement.

**Capital Area CASA Association**  
**STATEMENT OF CASH FLOWS**  
For the year ended December 31, 2018

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Decrease in net assets	\$ (125,771)
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	37,877
Unrealized loss on investment	47,883
(Increase) decrease in operating assets:	
Grants receivable	(1,262)
Prepaid expenses	1,857
Increase (decrease) in operating liabilities:	
Accounts payable	(890)
Payroll withholding	569
	86,034
Total adjustments	86,034
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>(39,737)</b>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Proceeds from sales of available-for-sale securities	196,300
Purchases of available-for-sale securities	(206,209)
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b>(9,909)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(49,646)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>398,122</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 348,476</b>

The accompanying notes are an integral part of this statement.

**Capital Area CASA Association**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2018**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

NATURE OF ACTIVITIES

Capital Area CASA Association is a nonprofit corporation organized under the laws of Louisiana on May 13, 1992. The corporation was formed 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 primarily funded through grants from various organizations and state agencies as well as contributions.

BASIS OF ACCOUNTING

The financial statements of Capital Area CASA Association have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

BASIS OF PRESENTATION

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board Accounting Standards Codification as set forth under FASB ASC 958. Accordingly, the Organization is required to report information regarding its financial position and activities according to two classes of net assets (net assets with donor restrictions and net assets without donor restrictions) based upon the existence or absence of donor-imposed restrictions.

CASH AND CASH EQUIVALENTS

For purposes of the Statement of Cash Flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

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 change in net assets in the accompanying Statement of Activities.

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 Capital Area CASA Association. These services are valued using an hourly rate published by the Independent Sector.

The value of these donations is reflected in the financial statements as revenue and expenses.

**Capital Area CASA Association**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2018**

EXPENSE ALLOCATION

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, direct expenses have been allocated by management among the program and supporting services benefitted based on specific identification. Indirect expenses have been allocated based on the salary allocation between program and supporting services benefitted.

INCOME TAX STATUS

The Organization is exempt from federal income tax under Internal Revenue Code Section 501(c)(3). In addition, the Organization qualifies for the charitable contribution deduction under Internal Revenue Code Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Internal Revenue Code Section 509(a)(2). The Organization is required to file Federal Form 990 for informational purposes and federal income tax returns for tax years 2015 and beyond remain subject to examination by the Internal Revenue Service. The Organization must review various tax positions taken with respect to its exempt status and determine whether it continues to qualify as a tax exempt entity. It must consider whether it has nexus in jurisdictions in which it has income and whether a tax return is required in those jurisdictions. It must also assess whether it has taken any tax positions associated with unrelated business income subject to income tax. The Organization does not expect these tax positions to change significantly over the next twelve months. Any penalties related to tax filings or other requirements would be recognized as penalty expense in the accounting records.

PROMISES TO GIVE

Promises to give are recognized as revenues or gains and as assets, decreases of liabilities, or expenses, depending on the form of the benefits received, when the donor makes an unconditional promise to give. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

PROPERTY AND EQUIPMENT

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of the assets. The Organization capitalizes fixed assets with a cost of \$1,000 or more. The Organization 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. Certain furniture and fixtures included on the Statement of Financial Position, in the amount of \$16,941 with related accumulated depreciation of \$16,941, have donor imposed restrictions on the disposal of these assets. The Organization capitalizes project costs including preacquisition, acquisition, development and construction costs.

ADVERTISING COSTS

Advertising costs are expensed in the year incurred and were \$49,560 for the year ended December 31, 2018.

**Capital Area CASA Association**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2018**

RESTRICTED AND UNRESTRICTED REVENUE AND SUPPORT

Support that is restricted by the donor is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), donor restricted net assets are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions. Grant awards are classified as refundable advances until expended for the purposes of the grants since they are conditional promises to give.

USE OF 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.

RECEIVABLES

The Organization considers grants 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.

**NOTE 2: INVESTMENTS**

Investments as of December 31, 2018, are summarized as follows:

	<u>Cost</u>	<u>Fair Value</u>	<u>Carrying Value</u>
Unrestricted:			
Certificates of deposit	\$ 180,000	\$ 180,308	\$ 180,308
Mutual funds	<u>517,322</u>	<u>513,244</u>	<u>513,244</u>
	<u>\$ 697,322</u>	<u>\$ 693,552</u>	<u>\$ 693,552</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended December 31, 2018:

Interest income	\$ 4,396
Dividends	17,233
Unrealized gain (loss)	(47,883)
Realized gain	10,388
Less: Management fee	<u>(4,624)</u>
Total investment loss	<u>\$ (20,490)</u>

**Capital Area CASA Association**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2018**

**NOTE 3: DONATED SERVICES**

The value of donated services included in the financial statements and the corresponding expenses for the year ended December 31, 2018, are:

Casework	\$ 200,734
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**NOTE 4: FINANCIAL INSTRUMENTS**

Financial instruments that potentially subject the Organization to concentrations of credit 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 up to \$250,000. At times such balances may exceed FDIC insured limits. The Organization maintains an account with a stock brokerage firm. The account contains money market accounts, certificates of deposit and mutual funds. Balances are insured up to \$500,000 (with a limit of \$250,000 for cash) by the Securities Investor Protection Corporation. At December 31, 2018, the Organization had \$93,701 in cash and cash equivalents on deposit with the brokerage firm. At times such balances may exceed SIPC insured limits.

The estimated fair value of the Organization's financial instruments, none of which were held for trading purposes, are as follows:

	<u>Carrying Value</u>	<u>Fair Value</u>
Cash and Cash Equivalents	\$ 348,476	\$ 348,476
Investments	693,552	693,552
	<u>\$ 1,042,028</u>	<u>\$ 1,042,028</u>

**NOTE 5: ECONOMIC DEPENDENCY**

The Organization received approximately 58% of its total revenues and other support, excluding donated services and materials, from federal and state grants. If significant budget cuts are made at the federal and /or state level, it could have an adverse impact on the Organization's operations.

**NOTE 6: 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 during 2018 were \$10,477.

**NOTE 7: 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, 2018, this amount is approximately \$459,000.

**Capital Area CASA Association**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2018**

**NOTE 8: RESTRICTIONS ON NET ASSETS**

Donor restricted net assets at December 31, 2018 in the amount of \$9,497 are to provide educational services for children in the CASA program.

**NOTE 9: FAIR VALUE MEASUREMENT**

Fair value of assets measured on a recurring basis at December 31, 2018, are as follows:

	Fair Value Measurements at Reporting Date Using:	
	Quoted Prices in Active Markets for Identical Assets	
Investments:	<u>Fair Value</u>	<u>(Level 1)</u>
Certificates of deposit	\$ 180,308	\$ 180,308
Mutual funds	513,244	513,244
	<u>\$ 693,552</u>	<u>\$ 693,552</u>

**NOTE 10: CONTINGENCIES**

The Organization participates in state and federal grant programs which are 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, 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 agreed upon by the grantor agency and the Organization.

**NOTE 11: OPERATING LEASES**

The Organization leases office equipment under a non-cancelable operating lease agreement expiring in October 2023. Lease expenses incurred by the Organization during 2018 are \$1,815.

**Capital Area CASA Association**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2018**

**NOTE 11: OPERATING LEASES (continued)**

Minimum future lease payments under the non-cancelable operating lease as of December 31, 2018, are as follows:

<u>Year Ending December 31:</u>	<u>Amount</u>
2019	2,418
2020	2,418
2021	2,418
2022	2,418
2023	2,015
Total minimum payments	<u>\$ 11,687</u>

**NOTE 12: AVAILABILITY OF FINANCIAL ASSETS**

Financial assets available for general expenditure, which are without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and cash equivalents	\$ 348,476
Grants receivable	74,397
Investments	<u>693,552</u>
Total financial assets	1,116,425

Less those unavailable for general expenditures  
within one year, due to:

Contractual or donor imposed restrictions:

Restricted by donor with time or purpose restrictions (9,497)

Board designations:

Amounts set aside by board for operating reserve (459,000)

Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 647,928</u>
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**NOTE 13: EVALUATION OF SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through June 24, 2019, the date which the financial statements were available to be issued, and determined that no events require disclosure.

**SUPPLEMENTARY INFORMATION**

**Capital Area CASA Association**  
**SCHEDULE OF CASA ASSISTANCE PROGRAM**  
**GRANT REVENUE AND EXPENSES**  
For the year ended December 31, 2018

**REVENUE**

CASA AP Federal	\$	221,853
CASA AP State		120,388
<b>Total Revenue</b>		342,241

**EXPENSES**

Casual labor		15,824
Facility maintenance		360
Furniture and equipment		10,954
Insurance - health		14,850
Insurance - liability		10,000
Insurance - workmen's compensation		623
Office supplies		1,679
Payroll taxes		17,252
Postage		1,951
Printing		1,665
Professional dues		350
Retirement contribution		3,662
Salaries		226,067
Staff training		3,754
Telephone		7,361
Utilities		7,114
Volunteer recruitment		17,675
Volunteer training		1,100
<b>Total expenses</b>		342,241
	<b>\$</b>	<b>0</b>

**Capital Area CASA Association**  
**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS**  
**TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**  
**For the year ended December 31, 2018**

Chief Executive Officer: Elizabeth Betz

No public funds were used to compensate, reimburse, or pay benefits for the Chief Executive Officer.

**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***

To the Board of Directors of  
Capital Area CASA Association

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 Capital Area CASA Association (a nonprofit organization), 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, and have issued our report thereon dated June 24, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we 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 our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Capital Area CASA Association's 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 over financial reporting 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 Capital Area CASA Association'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 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.

*Chester & Associates, LLC*

Baton Rouge, LA  
June 24, 2019

**Capital Area CASA Association**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the year ended December 31, 2018**

A. Summary of Audit Results

1. The auditors' report expresses an unqualified opinion on the financial statements of Capital Area CASA Association.
2. No material weaknesses relating to the audit of the financial statements are reported.
3. No instances of noncompliance material to the financial statements of Capital Area CASA Association were disclosed during the audit.
4. Capital Area CASA Association was not subject to a federal single audit.

B. Findings - Financial Statement Audit

None

C. Findings and Questioned Costs - Major Federal Award Programs

Not applicable

**Capital Area CASA Association**  
**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**  
**For the year ended December 31, 2018**

No matters were reported in the prior year.

CAPITAL AREA CASA ASSOCIATION  
BATON ROUGE, LOUISIANA

STATEWIDE AGREED-UPON PROCEDURES  
FOR THE YEAR ENDED DECEMBER 31, 2018



  
**CHESTEEN & ASSOCIATES, L.L.C.**  
CERTIFIED PUBLIC ACCOUNTANTS

H.E. Chesteen, III, CPA  
Rhonda Gourrier, CPA  
Thomas J. Beck, CPA

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

**INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors of Capital Area Casa Association and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the management of Capital Area CASA Association (CASA) (the "Entity") and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2018 through December 31, 2018. CASA's management is responsible for those C/C areas identified in the SAUPs.

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 the 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***

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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.

**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 the following exception:**

- **No written policies regarding documentation required to be maintained for all bids and price quotes.**

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

**We performed the procedures above and noted no exceptions.**

- 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 which included management's actions to determine the completeness of all collections for each type of revenue.**
- 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 the following exceptions:**

- **No written policies regarding (1) types of services requiring written contracts.**
  - **No written policies regarding (2) standard terms and conditions.**
  - **No written policies regarding (3) legal reviews.**
  - **No written policies regarding (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).

**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.**

### ***Bank Reconciliations***

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3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged).

**We performed the procedures above and noted no exceptions.**

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged).

**We performed the procedures above and noted no exceptions.**

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

**Not applicable.**

### ***Collections***

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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).

**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.**

- 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.**

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.**

- c) 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 exceptions:**

- **No pre-numbered receipts were used.**
- 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:**

- **No pre-numbered receipts were used.**
- 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 deposit was made more than one business day after receipt.**
- 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)***

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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).

**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 the following exception:**

- **The employee responsible for processing payments is not prohibited from adding/modifying 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.

**We performed the procedures above and noted the following exception:**

- **The employee responsible for processing payments mails payments.**

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.**

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.**

### *Credit Cards/Debit Cards/Fuel Cards/P-Cards*

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11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

**We performed the procedures above and noted no exceptions.**

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
  - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]

**We performed the procedures above and noted no exceptions.**

- b) Observe that finance charges and late fees were not assessed on the selected statements.

**We performed the procedures above and noted no exceptions.**

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

**We performed the procedures above and noted no exceptions.**

### *Contracts*

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15. 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.

**We performed the procedures above and noted no exceptions.**

- 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).

**We performed the procedures above and noted the following exception:**

- **One of the two contracts were not approved by the executive director per written policy.**
- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

**We performed the procedures above and noted no exceptions.**

- 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.

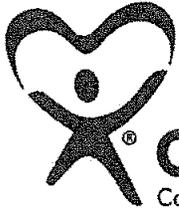
**We performed the procedures above and noted no exceptions.**

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.

*Chesteen & Associates, LLC*

Chesteen & Associates, LLC  
Baton Rouge, LA  
June 24, 2019



**CASA**

Court Appointed Special Advocates  
**FOR CHILDREN**

848 Louisiana Ave.  
Baton Rouge, LA 70802  
Phone: 225-379-8598  
Fax: 225-379-3362

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**CAPITAL AREA CASA ASSOCIATION**

[www.casabr.org](http://www.casabr.org)

June 25, 2019

Chesteen & Associates, LLC  
Certified Public Accountants  
2181 Quail Run Drive  
Baton Rouge, Louisiana 70808-4127

RE: Response to Independent Accountants'  
Report on Applying Agreed-upon Procedures  
For the Fiscal Year Ended December 31, 2018

To Whom It May Concern:

In response to the exceptions noted in the referenced report, Capital Area CASA Association submits the following:

For item #1(b) on page 1, items #1(d) and #1(f) on page 2, management will draft policies for review and acceptance by the executive committee.

Management believes that other reasonable compensating controls are in place to offset risks associated with items #9c and 9d on page 5, and #7a & b on page 4.

Regarding item #7d on page 4 and #15b on page 7, management has counseled staff responsible for these tasks.

Sincerely,

Liz Betz  
Executive Director