

CASA JEFFERSON, INC.

Financial Statements and Schedules

June 30, 2018

With Independent Auditors' Report Thereon

CASA JEFFERSON, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
CASA Jefferson, Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of the CASA Jefferson, Inc. (a nonprofit organization) (the Organization), which comprise the statements of financial position as of June 30, 2018, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended in conformity with auditing standards generally accepted in the United States of America.

Other Matters

Predecessor Auditor

The financial statements of the CASA Jefferson, Inc. as of June 30, 2017, were audited by other auditors whose report dated December 8, 2017, expressed an unmodified opinion on those financial statements. We were not engaged to audit, review, or apply any procedures to the 2017 financial statements of the Organization other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2017 financial statements as a whole.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on page 14 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statement as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2018, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Richard CPAS

Metairie, Louisiana
December 21, 2018

CASA JEFFERSON, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2018 AND 2017

ASSETS

	<u>2018</u>	<u>2017</u>
<u>CURRENT ASSETS</u>		
Cash	\$ 92,373	\$ 53,914
Grants Receivable	54,827	81,154
Prepaid expenses	15,283	15,322
Total current assets	<u>162,483</u>	<u>150,390</u>
 <u>NON-CURRENT ASSETS</u>		
Deposits	5,707	5,707
Total non-current assets	<u>5,707</u>	<u>5,707</u>
 <u>TOTAL ASSETS</u>	<u>\$ 168,190</u>	<u>\$ 156,097</u>

LIABILITIES AND NET ASSETS

<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 1,729	\$ 3,074
Accrued payroll liabilities	4,941	5,485
Total current liabilities	<u>6,670</u>	<u>8,559</u>
 Total liabilities	<u>6,670</u>	<u>8,559</u>
 <u>NET ASSETS - UNRESTRICTED</u>		
Unrestricted	123,675	101,172
Temporarily restricted (note 4)	37,845	46,366
Total net assets	<u>161,520</u>	<u>147,538</u>
 <u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 168,190</u>	<u>\$ 156,097</u>

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

CASA JEFFERSON, INC.
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018			2017		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>REVENUES AND SUPPORT</u>						
Grants	\$ 13,000	\$ 611,405	\$ 624,405	\$ -	\$ 615,276	\$ 615,276
Contributions	51,650	7,891	59,541	36,957	1,800	38,757
Special events (net of direct costs of \$31,900 and \$34,020, respectively)	28,473	-	28,473	12,339	-	12,339
Net assets released from restrictions	<u>627,817</u>	<u>(627,817)</u>	<u>-</u>	<u>633,224</u>	<u>(633,224)</u>	<u>-</u>
Total revenues and support	<u>720,940</u>	<u>(8,521)</u>	<u>712,419</u>	<u>682,520</u>	<u>(16,148)</u>	<u>666,372</u>
<u>EXPENSES</u>						
Programs	590,153	-	590,153	600,897	-	600,897
Management and general	89,710	-	89,710	91,807	-	91,807
Fundraising	18,574	-	18,574	13,198	-	13,198
Total expenses	<u>698,437</u>	<u>-</u>	<u>698,437</u>	<u>705,902</u>	<u>-</u>	<u>705,902</u>
Change in net assets	22,503	(8,521)	13,982	(23,382)	(16,148)	(39,530)
Beginning of year net assets	101,172	46,366	147,538	124,554	62,514	187,068
End of year net assets	<u>\$ 123,675</u>	<u>\$ 37,845</u>	<u>\$ 161,520</u>	<u>\$ 101,172</u>	<u>\$ 46,366</u>	<u>\$ 147,538</u>

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

CASA JEFFERSON, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

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

(continued)

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

CASA JEFFERSON, INC.
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

2017	Program Services	Management and General	Fundraising	Total
Children's projects	\$ 6,201	\$ -	\$ -	\$ 6,201
Employee benefits	52,966	8,648	1,616	63,230
Equipment	2,226	557	-	2,783
Information technology	2,620	291	-	2,911
Insurance	5,949	2,667	-	8,616
Meeting Expenses	114	-	-	114
Office expense	7,311	812	-	8,123
Payroll taxes	25,629	4,184	782	30,595
Postage and shipping	3,112	164	-	3,276
Printing	4,034	-	-	4,034
Professional services	16,571	2,951	-	19,522
Public relations	16,823	-	-	16,823
Rent	61,635	6,848	-	68,483
Salaries	353,871	57,776	10,800	422,447
Supplies	6,460	-	-	6,460
Telephone	8,133	904	-	9,037
Training	8,607	-	-	8,607
Travel	21,438	-	-	21,438
Utilities	500	56	-	556
Volunteer recognition	2,646	-	-	2,646
Total	\$ 606,846	\$ 85,858	\$ 13,198	\$ 705,902

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

CASA JEFFERSON, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ 13,982	\$ (39,530)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
(Increase) decrease in grants receivable	\$ 26,327	\$ 18,756
(Increase) decrease in prepaid expenses	39	902
Increase (decrease) in accounts payable	(1,345)	(2,578)
Increase (decrease) in accrued payroll liabilities	<u>(544)</u>	<u>(910)</u>
Net cash used in operating activities	<u>38,459</u>	<u>(23,360)</u>
Net change in cash	\$ 38,459	\$ (23,360)
Cash, beginning of year	<u>53,914</u>	<u>77,274</u>
Cash, end of year	<u><u>\$ 92,373</u></u>	<u><u>\$ 53,914</u></u>

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

CASA JEFFERSON, INC.

Notes to Financial Statements

June 30, 2018 and 2017

(1) Summary of Significant Accounting Policies

(a) Operations

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

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

(b) Basis of Presentation

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

- Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.
- Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that will be met either by actions of the Organization and/or the passage of time.
- Permanently restricted net assets – Net assets subject to donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled and removed by actions of the Organization pursuant to those stipulations. The Organization does not have any permanently restricted net assets as of June 30, 2018 or 2017.

(c) Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments with a maturity date of three months or less to be cash equivalents. The Organization had no cash equivalents at June 30, 2018 and 2017.

CASA JEFFERSON, INC.

Notes to Financial Statements

June 30, 2018 and 2017

(1) Summary of Significant Accounting Policies (continued)

(d) Contributions

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

(e) Grant Revenues

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

(f) Donated Services and In-kind Support

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

(g) Income Taxes

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

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

CASA JEFFERSON, INC.

Notes to Financial Statements

June 30, 2018 and 2017

(1) Summary of Significant Accounting Policies (continued)

(h) Use of Estimates

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

(i) Accounting Pronouncements Issued But Not Yet Adopted

FASB has issued ASU No. 2016-14, “Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities.” Under the ASU, the number of net asset classes is decreased from three to two; enhanced disclosures of underwater endowments are required; reporting of expenses by function and nature, as well as an analysis of expenses by both function and nature is required; and qualitative information in the notes to the financial statements on how an entity manages its liquid available resources and liquidity risks is required. This standard is effective for fiscal years beginning after December 15, 2017. Early application of the standard is permitted.

In February 2016, the FASB issued ASU No. 2016-02, “Leases.” This accounting standard requires lessees to recognize assets and liabilities related to lease arrangements longer than 12 months on the balance sheet as well as additional disclosures. The updated guidance is effective for annual periods beginning after December 15, 2019.

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

(j) Reclassification

On the statement of functional expenses, insurance expense in the prior year has been reclassified for consistency with the current year presentation. This reclassification has no effect on the reported results of operations.

CASA JEFFERSON, INC.

Notes to Financial Statements

June 30, 2018 and 2017

(2) Concentration of Credit Risk

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

(3) Grants Receivable

Grants receivable to the Organization at June 30, 2018 and 2017 consist of the following:

	<u>2018</u>	<u>2017</u>
Louisiana Supreme Court CASA Assistance Program	\$ 31,581	\$ 47,482
Crime Victims Assistance	23,246	23,036
Greater New Orleans Foundation	-	4,534
Other	-	6,102
	<u>\$ 54,827</u>	<u>\$ 81,154</u>

(4) Restricted Assets

At June 30, 2018 and 2017, CASA Jefferson, Inc. has no permanently restricted assets. The Organization has the following net assets which are restricted to a specific purpose and presented as temporarily restricted net assets as of June 30:

	<u>2018</u>	<u>2017</u>
Jefferson Parish Juvenile Court	\$ 23,265	\$ 28,853
Greater New Orleans Foundation	1,786	8,455
Fore! Kids	3,731	3,223
Projects	9,063	5,835
	<u>\$ 37,845</u>	<u>\$ 46,366</u>

(5) Special Events

The I Am for Child Music Festival is the Organization's most significant fundraising event. During the year ended June 30, 2018, Music Festival was held on April 21, 2018. The funds raised at the event are for the purpose of enabling the Organization to provide advocates for children in the community.

CASA JEFFERSON, INC.

Notes to Financial Statements

June 30, 2018 and 2017

(6) Operating Lease

CASA Jefferson, Inc. entered into a sixty-two month lease agreement for new office space on October 22, 2015. The lease agreement requires the Organization to make monthly lease payments in the amount of \$5,707 for periods January 1, 2016 to December 31, 2018, \$5,831 for periods January 1, 2019 to December 31, 2019 and \$5,955 for periods January 1, 2020 to December 31, 2020. Rent expense is \$68,483 for each year ended June 30, 2018 and 2017.

Future minimum lease payments required under the operating lease:

<u>Year</u>	<u>Amount</u>
2019	\$ 69,227
2020	70,716
2021	<u>35,730</u>
	<u>\$ 175,673</u>

(7) Functional Allocation of Expenses

Expenses such as payroll, payroll taxes and employee benefits are allocated to fundraising expense based on estimated time.

(8) Contingencies

(a) Grant Programs

The Organization participates in a number of state and federal grant programs, which are governed by various rules and regulations. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that Organization has not complied with the rules and regulations governing the grants, refunds of any money received and the collectability of any related receivable as of June 30, 2018 and 2017 might be impaired. In management's opinion, there are no significant contingent liabilities relating to compliance with the rules and regulations governing state and federal grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies. Audits of prior years have not resulted in any significant disallowed costs or refunds. Any costs that would be disallowed would be recognized in the period when the grantor agency notifies the Organization.

CASA JEFFERSON, INC.

Notes to Financial Statements

June 30, 2018 and 2017

(8) Contingencies (continued)

If significant budget cuts are made at the federal or state level, the amount of funds the Organization received could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will significantly affect the amount of funds the Organization will receive in fiscal year 2019 related to its federal and state grant awards.

(b) Significant Grants / Cooperative Endeavor Agreement

For the years ended June 30, 2018 and 2017, \$311,237 and \$302,298, respectively, of the Organization's governmental financial assistance was from TANF (CFDA No. 93.558), \$142,208 and \$139,954, respectively, in financial assistance was from the Louisiana Supreme Court CASA Assistance Program. The Louisiana Commission on Law Enforcement provided \$92,960 and \$94,408, respectively, for the years ended June 30, 2018 and 2017. In each year, \$60,000 of the Organization's governmental financial assistance was from a cooperative endeavor agreement provided by the Jefferson Parish Juvenile Court System. Management believes that the Organization is in compliance with the provisions of these grants/cooperative endeavor agreement and that the findings of an audit, if any, would not have a material impact on the financial statements. These grants/cooperative endeavor agreement have been approved to the Organization for the 2019 fiscal year.

(9) Subsequent Events

Management of the Organization has evaluated subsequent events through the date that the financial statements were available to be issued, December 21, 2018, and determined that no items require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

CASA JEFFERSON, INC.

Supplementary Information

June 30, 2018

CASA JEFFERSON, INC.
Schedule of Compensation, Benefits, and
Other Payments to Agency Head or Chief Executive Officer
For the year ended June 30, 2018

Agency Head Name: Rosanna Gonzalez, Executive Director

Purpose	
Salary (Contract Payments)	\$ 60,775
Benefits-Insurance	8,627
Benefits-retirement	1,755
Benefits-FICA, Medicare & SUTA	4,287
Benefits	n/a
Car allowance	n/a
Vehicle provided by government	n/a
Per diem	n/a
Reimbursements	66
Travel (mileage)	1,359
Registration fees	n/a
Conference travel	n/a
Continuing professional education fees	n/a
Housing	n/a
Unvouchered expenses	n/a
Special meals	n/a

See independent auditors' report.



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

Independent Auditor's Report

CASA Jefferson, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of CASA Jefferson, Inc., which comprise the statement of financial position as of June 30, 2018, and the related consolidated statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 21, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered The Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Organization'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 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 The Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Richard CPAS

December 21, 2018



INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below, which were agreed to by the management of CASA Jefferson, Inc. (CASA)(the "Entity") and the Louisiana Legislative Auditor (LLA) (the specified parties) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2017 through June 30, 2018. CASA's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

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

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

We performed the procedures above and noted no exceptions.

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

We performed the procedures above and noted no exceptions.

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

We performed the procedures above and noted no exceptions.

Written Policies and Procedures (continued)

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

We performed the procedures above and noted the following exception:

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

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

We performed the procedures above and noted no exceptions.

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

We performed the procedures above and noted no exceptions.

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

We performed the procedures above and noted no exceptions.

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

We performed the procedures above and noted no exceptions.

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

Not applicable to non-profit organizations.

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

Not applicable to non-profit organizations.

Written Policies and Procedures (continued)

Management response:

- **1d) Receipts/Collections:** CASA Jefferson Inc. has included into the fiscal policy and procedures the steps that are used to record contributions/donations via donor software. Currently, our program is using Etapestry a database system offered through BlackBaud. Executive Director collects copies of all contributions and records the contribution in the donor software system. Once the contribution has been recorded into the sytem, an acknowledgement letter/receipt is generated. The Executive Director mails out the acknowledgement/receipt to donor and maintains a copy of the the contribution (check) and receipt separate from that is provided to the Director of Operations. On a monthly basis, the Executive Director will compare the general ledger to a report generated by the donor software system to ensure that donations/contributions are recorded adequately and

Board or Finance Committee – no testing performed due to no exceptions reported in year 1 for this category.

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board' s enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget- to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Bank Reconciliations – no testing performed due to no exceptions reported in year 1 for this category.

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);
 - 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); and
 - 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.

Collections

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

We performed the procedures above and noted no exceptions.

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

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

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

Collections (continued)

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

We performed the procedures above and noted no exceptions.

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

We performed the procedures above and noted no exceptions.

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

We performed the procedures above and noted no exceptions.

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

We performed the procedures above and noted no exceptions.

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

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

We performed the procedures above and noted the following exception:

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

Collections (continued)

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

We performed the procedures above and noted the following exceptions:

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

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

We performed the procedures above and noted no exceptions.

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

We performed the procedures above and noted the following exceptions:

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

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

We performed the procedures above and noted no exceptions.

Management response:

- **7a) Collections:** CASA Jefferson Inc. utilizes an online donor-based system (Etapestry) which generates a receipt when a donation/contribution is received. The receipts are not pre-numbered.
- **7b) Collections:** CASA Jefferson Inc. utilizes an online donor-based system (Etapestry) which generates a receipt when a donation/contribution is received. The receipts are not pre-numbered.
- **7d) Collections:** CASA Jefferson Inc. Fiscal Control policy states that deposits will be made within 48 hours of receipt of funds. CASA Jefferson is a small non-profit organization which has only two administrative positions that handle accounts receivables – Executive Director and Director of Operations. The other seven employees are federally funded to provide direct services to children. Executive Director designated the Training Coordinator to assist with deposits. Deposits are made within 48 hours as outlined by the Fiscal Control Policy.

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

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

We performed the procedures above and noted no exceptions.

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

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

We performed the procedures above and noted no exceptions.

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

We performed the procedures above and noted no exceptions.

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

We performed the procedures above and noted no exceptions.

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

We performed the procedures above and noted the following exception:

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

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

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

We performed the procedures above and noted no exceptions.

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

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

We performed the procedures above and noted no exceptions.

Management's response:

- **9d) Non-Payroll Disbursements:** CASA Jefferson is a small non-profit organization which has only two administrative positions that handle accounts receivables – Executive Director and Director of Operations. The other seven employees are federally funded to provide direct services to children. Executive Director will designate the Program Assistant to mail out the signed checks to the vendors.

Credit Cards/Debit Cards/Fuel Cards/P-Cards – no testing performed due to no exceptions reported in year 1 for this category.

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

Credit Cards/Debit Cards/Fuel Cards/P-Cards (continued)

- (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).

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

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

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

We performed the procedures above and noted the following exceptions:

- For two of the five expense reimbursements selected, mileage was reimbursed at .51/mile for 2017 mileage reimbursements. The policy of the Organization is to use the GSA mileage rates effective at the time the expense is incurred. For 2017, the GSA mileage rate was .535/mile.

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

We performed the procedures above and noted no exceptions.

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

We performed the procedures above and noted no exceptions.

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

We performed the procedures above and noted the following exceptions:

- For one of the five expense reimbursements selected, the reimbursement was reviewed and approved by the same person receiving the reimbursement. The policy of the Organization states that the Chairperson of the Board or his/her designee must approve out-of-state travel.

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

(continued)

Management's response:

- **14a) Travel:** The mileage reimbursement forms for both CASA staff and volunteers have been updated to reflect the current State of Louisiana reimbursement rate of .54/mile. During the FY 17-18, two volunteers submitted reimbursement for mileage with the previous reimbursement rate of 0.51. The rate was corrected in 2017 and in the current year (2018) as well.
- **14d) Travel :** Executive Director traveled to National CASA conference out of state in 2017. The Executive Director notified the Board of Directors of her participation in the conference in Boston, it was reported during the board meetings, however, Executive Director needed to have written approval for the travel, hotel accommodations and conference registration prior to the event. Moving forward, Executive Director will notify the Board Executive Committee of upcoming expenses related to the Executive Director and will not proceed with expenses without written approval from the Board Chair.

Contracts – no testing performed due to no exceptions reported in year 1 for this category.

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.
 - 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.

Payroll and Personnel – no testing performed due to no exceptions reported in year 1 for this category.

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Ethics – not applicable to nonprofits.

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
 - a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Debt Service – not applicable to nonprofits.

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Other

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

No misappropriations of public funds or assets.

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

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.

Richard CPAS

Metairie, Louisiana
December 21, 2018