

CASA of Terrebonne, Inc.



Financial Statements

As of and for the Year Ended June 30, 2020

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CPA

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CASA OF TERREBONNE, INC.

Financial Statements
As of and for the year ended June 30, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
CASA of Terrebonne, Inc.

We have audited the accompanying financial statements of CASA of Terrebonne, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, 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. 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 CASA of Terrebonne, Inc. as of June 30, 2020, 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 13, the schedule of income and expenses – Louisiana Supreme Court CASA AP Program on page 14, and the schedule of compensation, benefits, and other payments to agency head or chief executive officer on page 15 are 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 statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2020, on our consideration of the CASA of Terrebonne’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 CASA of Terrebonne’s internal control over financial reporting and compliance.



Thibodaux, Louisiana
November 30, 2020

Financial Section

CASA OF TERREBONNE, INC.
Statement of Financial Position
June 30, 2020

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 187,044
Grants receivable - VOCA	3,155
Grants receivable - CASA-AP	22,012
Prepaid expenses	2,453
TOTAL CURRENT ASSETS	<u>214,664</u>

PROPERTY AND EQUIPMENT:

Furniture, equipment & improvements	57,108
Accumulated depreciation	(20,606)
TOTAL PROPERTY & EQUIPMENT	<u>36,502</u>

OTHER ASSETS:

Investments	375,903
Deposits	1,000
TOTAL OTHER ASSETS	<u>376,903</u>

TOTAL ASSETS \$ 628,069

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable	\$ 931
Accrued payroll and payroll tax payable	5,560
Compensated absences payable	7,454
Refundable advances	11,803
PPP loan payable	24,688
Short term portion of long term obligations	1,203
TOTAL CURRENT LIABILITIES	<u>51,637</u>

LONG TERM LIABILITIES:

Capital lease obligation	2,134
TOTAL LONG TERM LIABILITIES	<u>2,134</u>

NET ASSETS:

With donor restrictions:	-
Without donor restrictions	574,298
TOTAL NET ASSETS	<u>574,298</u>

TOTAL LIABILITIES & NET ASSETS \$ 628,069

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

CASA OF TERREBONNE, INC.
Statement of Activities
For the Year Ended June 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Totals</u>
REVENUES AND OTHER SUPPORT:			
Fund-raising activities	\$ 39,416		\$ 39,416
Donations	84,946		84,946
Interest income	21,752		21,752
Other income	15,503		15,503
Grant income		322,245	322,245
Satisfaction of restrictions	<u>322,245</u>	<u>(322,245)</u>	<u>-</u>
Total revenue and other support	483,862	-	483,862
EXPENSES:			
Program services:			
Court appointed special advocate	367,620		367,620
Support services:			
General and administrative	51,194		51,194
Fund-raising expense	<u>9,799</u>		<u>9,799</u>
Total support services	<u>60,994</u>		<u>60,994</u>
Total expenses	<u>428,613</u>		<u>428,613</u>
INCREASE (DECREASE) IN NET ASSETS	55,248	-	55,248
NET ASSETS, beginning of year	<u>519,050</u>	<u>-</u>	<u>519,050</u>
NET ASSETS, end of year	<u>\$ 574,298</u>	<u>\$ -</u>	<u>\$ 574,298</u>

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

CASA OF TERREBONNE, INC.
Statement of Functional Expenses
For the Year Ended June 30, 2020

	<u>PROGRAM SERVICES</u>	<u>SUPPORT SERVICES</u>			
	Court Appointed Special Advocate	Management and General	Fund- raising	Total Support Services	Total Expenses
Salaries & fringe benefits	\$ 252,640	\$ 28,071		\$ 28,071	\$ 280,711
Supplies	5,502	611		611	6,114
Training	4,350	483		483	4,834
Advertising	22,823	2,536		2,536	25,359
Rent & utilities	21,945	2,438		2,438	24,383
Operating expense	20,661	2,296		2,296	22,956
Insurance - property & liability	6,202	689		689	6,891
Printing	1,108	123		123	1,231
Professional fees	19,386	2,154		2,154	21,540
Travel	5,145	572		572	5,717
Volunteer & staff appreciation	-	10,348		10,348	10,348
Small furniture & equipment	1,430	159		159	1,589
Depreciation expense	4,768	530		530	5,298
Interest expense	474	53		53	527
Other expenses	1,187	132		132	1,319
Fund-raising expense	-	-	\$ 9,799	9,799	9,799
TOTAL	\$ 367,620	\$ 51,194	\$ 9,799	\$ 60,994	\$ 428,613

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

CASA OF TERREBONNE, INC.
Statement of Cash Flows
For the Year Ended June 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES:	
Increase in net assets	\$ 55,248
Adjustments to reconcile net assets to net cash provided by operating activities:	
Depreciation	5,298
(Increase) decrease in operating assets:	
Grants receivable	(2,285)
Prepaid expenses	(2,453)
Deposits	-
Increase (decrease) in operating liabilities:	
Accounts payable	(4,779)
Payroll and payroll liabilities	236
Compensated absences payable	2,147
Refundable advances	940
	<hr/>
Net cash provided (used) by operating activities	54,351
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of capital assets	(5,547)
Redemption of certificate of deposit	80,000
Purchase of certificate of deposit	(85,000)
	<hr/>
Net cash provided (used) by investing activities	(10,547)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Proceeds from PPP Loan	24,688
Payments made on capital lease obligation	(1,012)
	<hr/>
Net cash provided (used) by financing activities	23,676
Net increase (decrease) in cash and cash equivalents	<hr/> 67,479 <hr/>
CASH AND CASH EQUIVALENTS, beginning of year	119,565
CASH AND CASH EQUIVALENTS, end of year	<hr/> <u>\$ 187,044</u> <hr/>

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

CASA OF TERREBONNE, INC.
Notes to the Financial Statements
For the Year Ended June 30, 2020

NOTE I SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed are described to enhance the usefulness of the financial statements to the reader.

A. NATURE OF ACTIVITIES

CASA of Terrebonne, Inc. (a nonprofit organization) is a member of the National Court Appointed Special Advocate Association. Their mission is to be an independent and objective presence in the courts and to speak for the best interests of abused and neglected children of Terrebonne Parish. CASA promotes and supports trained community volunteers to represent children and help secure for each child a nurturing, safe, and permanent home.

B. BASIS OF ACCOUNTING

The financial statements of the CASA of Terrebonne, Inc. (a nonprofit organization) have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

C. 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, CASA of Terrebonne is required to report information regarding its financial position and activities under 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.

D. CASH AND CASH EQUIVALENTS

For purposes of the Statement of Cash Flows, CASA considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. There were no restricted cash equivalents at year-end.

E. INVESTMENTS

Investments consist of certificates of deposit which do not meet CASA's definition of cash equivalents. The investments are carried at their fair values in the Statement of Financial Position.

F. PROPERTY AND EQUIPMENT

Property and equipment purchased with an original cost of \$500 or more are reported at historical cost. Donations of property and equipment are recorded as support at their estimated fair value as of the date received. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets

CASA OF TERREBONNE, INC.
Notes to the Financial Statements
For the Year Ended June 30, 2020

donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. CASA of Terrebonne reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Property and equipment are depreciated using the straight-line method over their estimated useful lives as follows:

Equipment & furniture	5-7 years
Leasehold improvements	15 years

G. CONTRIBUTED FACILITIES AND SERVICES

Donated services are recognized as contributions in accordance with SFAS No. 116, "Accounting for Contributions Received and Contributions Made", if the services (a) create or enhance nonfinancial assets or (b) required specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Many individuals volunteer their time and perform a variety of tasks that assist the Organization with the advocacy program throughout the year that are not recognized as contributions in the financial statements since the recognition criteria under SFAS No. 116 were not met.

H. PROMISES TO GIVE

Promises to give are recognized as revenues or gains and as assets, decreases of liabilities, or expenses depending on the firm 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.

I. 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 a 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 purpose of the grants since they are conditional promises to give.

J. RECEIVABLES

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

CASA OF TERREBONNE, INC.
Notes to the Financial Statements
For the Year Ended June 30, 2020

K. ADVERTISING

Advertising costs are expensed when incurred.

L. INCOME TAX STATUS

CASA of Terrebonne, Inc. is exempt from federal income tax under Section 501(C)(3) of the Internal Revenue Code. In addition, the organization qualifies for the charitable contribution deduction under section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). Accordingly, no provision for income taxes is made in the financial statements.

CASA of Terrebonne, Inc. is required to file federal form 990 for informational purposes and federal income tax returns for tax years 2016 and beyond remain subject to examination by the Internal Revenue Service.

M. USE OF ESTIMATES

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

N. EXPENSE ALLOCATION

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

O. VACATION AND SICK LEAVE

Eligible employees will be granted paid vacation on the employee's anniversary date of each calendar year according to the following schedule.

Six months to one year	5 days (40 hours)
One year to three years	10 days
Four to five years	15 days
Six years	18 days
More than six years	for each additional year in excess of six years of service, and employee will receive one additional day per year added to the standard 18 days per year, not to exceed 20 days annual vacation.

CASA OF TERREBONNE, INC.
Notes to the Financial Statements
For the Year Ended June 30, 2020

An employee becomes eligible to receive vacation benefits when they have successfully completed the six months of continuous employment.

Unused vacation leave may be carried over up to 120 hours. Upon separation, employees will be compensated for any unused vacation leave, paid at the current salary, which is not to exceed eighty hours.

Eligible employees will be granted 40 hours per year sick leave after three months of employment. 40 hours of sick leave will be granted each year on the employee's anniversary date. Sick leave is not accrued nor paid upon separation.

P. MANAGEMENT OF LIQUID RESOURCES

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

Q. SUBSEQUENT EVENTS

The subsequent events of the organization were evaluated through the date of the financial statements were available to be issued (November 30, 2020).

NOTE II CONCENTRATION OF RISK

CASA's primary sources of support are from grants awarded by the state. Management is always seeking funding for the upcoming years through renewals of current grants as well as by applying for new grants; however, in the event the Organization is unable to secure additional funding, the financial position of the Organization could be significantly impacted.

CASA of Terrebonne's support through state grants totaled 60% of total revenue for the year ended June 30, 2020.

NOTE III CASH AND EQUIVALENTS

Cash and Cash equivalents (book balances) consisted of the following at June 30, 2020:

CASA OF TERREBONNE, INC.
Notes to the Financial Statements
For the Year Ended June 30, 2020

Cash on hand	\$ -
Cash in bank – checking	58,318
Cash in bank – savings	5,919
Cash in bank – money market	<u>122,807</u>
 Total cash	 <u>\$ 187,044</u>

At year-end, CASA had cash (collected bank balances) totaling \$191,875. These deposits are stated at cost, which approximates market. All accounts are fully secured through FDIC.

NOTE IV INVESTMENTS – CERTIFICATES OF DEPOSIT

At June 30, 2020, certificates of deposit consisted of the following:

Certificates of Deposit	Maturity Date	Maturity Value	Value	Rate
Wells Fargo Bk N A Sioux Falls	7/13/20	\$100,000	\$100,127	2.90%
Goldman Sachs Bk New York	7/19/21	\$77,000	\$79,362	4.62%
Sallie Mae Bk Salt Lake City	8/22/22	\$85,000	\$88,144	5.38%
Goldman Sachs Bk New York	6/19/24	\$100,000	\$108,270	10.56%

Interest income recognized for the period, earned by the certificates of deposit total \$8,876 and is reported in the statement of activities as income without restrictions.

NOTE IV PROPERTY AND EQUIPMENT

Property and Equipment at June 30, 2020, consisted of the following:

Office equipment & furniture	\$ 22,729
Miscellaneous	1,471
Leasehold improvements	31,156
Accumulated depreciation	<u>(18,854)</u>
 Net	 <u>\$ 36,502</u>

Depreciation expense for the year ended June 30, 2020 was \$5,298.

NOTE V FINANCIAL INSTRUMENTS

Financial instruments that potentially subject CASA of Terrebonne to concentrations of credit risk and market risk consist of cash and investments.

CASA of Terrebonne maintains cash balances at several banks which are insured by the

CASA OF TERREBONNE, INC.
Notes to the Financial Statements
For the Year Ended June 30, 2020

Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Balances did not exceed these insured limits throughout the year. As of June 30, 2020, CASA had no cash balances in excess of insured limits.

Additionally, CASA of Terrebonne maintains an account with a stock brokerage firm. The account contains a money market account and certificates of deposit. Balances in this account are insured up to \$500,000 by the Securities Investor Protection Corporation (SIPC). At June 30, 2020, CASA had \$12,650 in cash and cash equivalents on deposit with the brokerage firm. Throughout the year, balances did not exceed SIPC insured limits.

NOTE VI OPERATING LEASE

CASA of Terrebonne entered into a commercial lease for its office space on August 2, 2018. The terms are for ten years beginning August 1, 2018 and ending July 31, 2028 (primary term). This lease secured office space for the administrative office. Rent is \$2,000 monthly, payable on the first of the month. CASA of Terrebonne is responsible for utilities and certain building maintenance expense.

The lessor has granted CASA of Terrebonne the exclusive option to purchase the property at any point within the primary term for the outstanding balance due on the mortgage loan at the time of said purchase.

The future minimum commitment for the next five years of this agreement follows:

Year Ended July 30,	Total Commitment
2021	\$24,000
2022	\$24,000
2023	\$24,000
2024	\$24,000
2025	\$24,000
Total minimum payments	<u>\$120,000</u>

Rent expense for the year ended June 30, 2020, was \$24,000.

NOTE VII CAPITAL LEASE OBLIGATIONS

On December 3, 2018, CASA entered into a lease agreement with Canon Solutions of America for a Cannon Copier. The agreement is for 48 months, ending December 13, 2022. Monthly payments are \$131.56. At the time of the original agreement, the copier was valued at \$4,864 and has been recorded as a capital asset on the statement of financial position. \$973 of depreciation has been recorded and is included in the total depreciation expense reported on the statement of activities.

CASA OF TERREBONNE, INC.
Notes to the Financial Statements
For the Year Ended June 30, 2020

At year end, the minimum commitment for the remainder of this agreement, 6 months, is \$915.60.

At June 30, 2020, the minimum commitment for the remainder of this agreement follows:

Year Ended, June 30	Total Commitment
2021	\$1,579
2022	\$1,579
2023	\$ 789
Total minimum commitment	\$3,949

NOTE VIII BOARD COMPENSATION

The Board of Directors is a voluntary board; therefore, no compensation was paid to any board member for the year ended June 30, 2020.

NOTE IX EMPLOYEE BENEFIT PLAN

Eligible employees can participate in a SIMPLE IRA which is a defined contribution salary deferral plan. Under the plan, CASA matches the employee's contribution up to three percent of each eligible employee's salary. All contributions are 100% vested to the employee. Plan expenses incurred by CASA for the current year ended totaled \$4,980.

NOTE X AVAILABILITY OF FINANCIAL ASSETS

CASA of Terrebonne maintains operating revenue for general expenditures. At June 30, 2020, current financial assets totaled \$214,664. These assets are available for general expenditures, that is, without donor or other restrictions limiting their use. CASA of Terrebonne has a goal to maintain financial assets, which consists of cash and receivables, on hand to meet 60 days of normal operating expenses, which are on average, \$72,000. It is CASA's policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

NOTE XI LITIGATION AND CLAIMS

During fiscal year ended June 30, 2020, CASA of Terrebonne was named as a defendant in a lawsuit involving a former employee. The suit has since been settled out of court. CASA's liability was limited to the insurance deductible of \$1,000. All other obligations are covered under insurance. Therefore, this claim does not have a material adverse effect on CASA's financial position.

CASA OF TERREBONNE, INC.
Notes to the Financial Statements
For the Year Ended June 30, 2020

CASA of Terrebonne, Inc. is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries; and natural disasters. Commercial insurance coverage is purchased to cover real and personal property, general liability, automobile, and criminal liability. There has been no significant reduction in insurance coverage during the current fiscal year.

NOTE XII SUBSEQUENT EVENTS

In January 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a “Public Health Emergency of International Concern,” which continues to spread throughout the world and has adversely impacted characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. It is anticipated that these impacts will continue for some time. There has been no immediate, significant impact to the CASA of Terrebonne’s operations. The future effects of these issues are unknown.

Supplementary Information

CASA OF TERREBONNE, INC.
Schedule of CASA Assistance Program
Grant Revenues and Expenses
For the Year Ended June 30, 2020

REVENUE	
Grant appropriations	\$ 287,027
EXPENSES	
Training	1,003
Operating expense	48,427
Printing	1,248
Professional fees	2,360
Salaries & benefits	219,562
Supplies	3,430
Insurance	6,891
Travel	<u>3,908</u>
Total expenditures	<u>\$ 286,829</u>

Notes:

This schedule is prepared using the cash method of accounting.

CASA OF TERREBONNE, INC.
Schedule of Compensation, Benefits and Other Payments to Agency Head or
Chief Executive Officer
For the Year Ended June 30, 2020

Agency Head Name:

Donna Brunet, Executive Director

Purpose	Amount
Salary	\$48,742
Benefits-insurance	7,560
Benefits-retirement	1,418
Benefits-other	0
Car allowance	0
Vehicle provided by government	0
Per diem	129
Reimbursements	0
Travel / mileage	506
Registration fees	0
Conference travel	462
Continuing professional education	0
Housing	0
Unvouchered expenses*	0
Special meals	0

Other Reports

CASA OF TERREBONNE, INC.
Summary Schedule of Prior Year Findings
For the Year Ended June 30, 2020

Section I – Internal Control and Compliance material to the financial statements:

Ref. No. 1906-01 – Inadequate Segregation of Duties

Description of Finding

A material weakness exists in internal controls due to the size of the CASA of Terrebonne's operation. Its limited staff precludes an adequate segregation of duties and other features of an adequate system of internal control, although to employ such controls may not be cost beneficial.

Corrective Action Taken

No corrective action was taken.

Ref. No. 1906-02 - Inadequate Controls over Financial Statement Preparation

Description of Finding

A material weakness exists in financial reporting because the CASA of Terrebonne does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.

Corrective Action Taken

Management has evaluated the cost versus benefit of hiring a person who has the qualifications and training to apply generally accepted accounting principles in the preparation of financial statements, including conversion of the financial statements from the cash to accrual basis of accounting. Management has determined that it is in the best interest of CASA at this time, to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them. Management understands that it accepts final responsibility for the financial statements content and presentation.

Section II – Management Letter

There was no management letter issued.

CASA OF TERREBONNE, INC.
Corrective Action Plan for Current Year Findings
For the Year Ended June 30, 2020

Section I – Internal Control and Compliance material to the financial statements:

Ref. No.

2006-01

Description of Finding

Inadequate Segregation of Duties

The size of the CASA of Terrebonne, Inc.'s operations and its limited staff preclude an adequate segregation of duties and other features of an adequate system of internal control, although to employ such controls may not be cost beneficial.

This is a common deficiency noted in audits of small entities. The Organization does not employ enough people in its accounting department to adequately segregate duties such as approving purchase orders, approving invoices for payment, printing checks, recording checks, signing checks, mailing checks, and reconciling bank statements. This is one example of the circumstances that resulted in the reportable condition.

Corrective Action Planned

No corrective action is taken because this deficiency cannot be remedied in a cost-effective manner.

Name of Contact Person

Donna Brunet, Executive Director

Anticipated Completion Date

None

Section II – Management Letter

A management letter has been issued. See page 22.

**Special Reports of
Certified Public Accountants**



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

To the Board
CASA of Terrebonne, Inc.
Houma, Louisiana

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 of Terrebonne, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 30, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the CASA of Terrebonne'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 CASA of Terrebonne's internal control. Accordingly, we do not express an opinion on the effectiveness of the CASA of Terrebonne'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a deficiency in internal control, described in the accompanying schedule of

corrective action plan for current year findings that we consider to be a material weakness, 2006-01.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the CASA of Terrebonne'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*.

CASA of Terrebonne's Response to Findings

CASA of Terrebonne's response to the findings identified in our audit is described in the accompanying corrective action plan for current year findings. CASA of Terrebonne's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 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.

This report is intended solely for the information and use of the Board of Directors, management, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



Thibodaux, Louisiana
November 30, 2020

Management Letter

To the Board
CASA of Terrebonne, Inc.
Houma, Louisiana

In planning and performing our audit of the financial statements of CASA of Terrebonne, Inc. (CASA) for the year ended June 30, 2020, we considered CASA's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

However, during our audit, we became aware of one matter that is an opportunity for strengthening internal controls, operating efficiency, or compliance with laws. (We previously reported on CASA's internal control in our report dated November 30, 2020). This letter does not affect our report dated November 30, 2020, on the financial statements of the CASA of Terrebonne, Inc.

We will review the status of these comments during our next audit engagement. We have already discussed this matter with CASA's executive director, and we will be pleased to discuss this matter in further detail at your convenience:

Evaluate IRS Form 1099 Issuance Requirements Annually

In our examination of the cash disbursement function, we noted that CASA had not issued required IRS Forms 1099-MISC. Upon further examination, we noted two individuals whom CASA was required to issue Form 1099-MISC for nonemployee compensation. This is a violation of IRS requirements and penalties can be assessed for non-filing. Our recommendation is that CASA review its list of vendors each January to determine if any are required to be issued Form 1099, and if so, issue by the January 31st due date.

In reviewing the above items with management, they agree with the suggestions presented here and will continue to work towards implementing these recommendations.

We wish to thank CASA of Terrebonne, Inc. and their employees for their support and assistance during our audit.

This report is intended solely for the information and use of the CASA of Terrebonne, Inc, management, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.



Thibodaux, Louisiana
November 30, 2020