

CASA – NEW ORLEANS
FINANCIAL STATEMENTS
AND
AUDITOR'S REPORT
DECEMBER 31, 2015

CASA – NEW ORLEANS

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Justin J. Scanlan, C.F.A., F.T.C.

A LIMITED LIABILITY COMPANY

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
CASA – New Orleans

We have audited the accompanying financial statements of CASA – New Orleans (a non-profit corporation), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CASA – New Orleans as of December 31, 2015, 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 Summarized Comparative Information

We have previously audited the CASA-New Orleans' 2014 financial statements, and our report dated February 5, 2015, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters Other Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 4, 2016, on our consideration of CASA – New Orleans' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Justin J. Scanlon, CPA, LLC

New Orleans, Louisiana
February 4, 2016

CASA - New Orleans
STATEMENT OF FINANCIAL POSITION
December 31, 2015

	ASSETS	SUMMARIZED COMPARATIVE INFORMATION <u>December 31, 2014</u>
Cash	\$ 167,144	\$ 138,668
Grants receivable (Notes A4 and B)	<u>20,441</u>	<u>43,616</u>
Total assets	<u>\$ 187,585</u>	<u>\$ 182,284</u>
LIABILITIES AND NET ASSETS		
Accounts payable and accrued liabilities	\$ 973	\$ 2,734
Annual leave payable	<u>12,164</u>	<u>13,747</u>
Total liabilities	<u>13,137</u>	<u>16,481</u>
Commitment (Note C)	-	-
Net assets		
Unrestricted	<u>174,448</u>	<u>165,803</u>
Total net assets	<u>174,448</u>	<u>165,803</u>
Total liabilities and net assets	<u>\$ 187,585</u>	<u>\$ 182,284</u>

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

CASA - New Orleans

STATEMENT OF ACTIVITIES

For the year ended December 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>SUMMARIZED COMPARATIVE INFORMATION</u> <u>For the year ended December 31, 2014</u>
REVENUE				
United Way				
Grants	\$ -	\$ 9,804	\$ 9,804	\$ 9,370
Other	16,711	-	16,711	12,572
Grant appropriations - Government (Note F)	-	317,931	317,931	270,826
Contributions	82,889	-	82,889	54,999
Special event, net of direct expenses of \$13,171	21,363	-	21,363	15,967
Other	20,224	-	20,224	16,986
In-kind contribution (Note A7)	9,000	-	9,000	9,000
Net assets released from restrictions	<u>327,735</u>	<u>< 327,735 ></u>	<u>-</u>	<u>-</u>
Total revenues	<u>477,922</u>	<u>-</u>	<u>477,922</u>	<u>389,720</u>
EXPENSES				
Program services				
Special advocate	<u>347,819</u>	<u>-</u>	<u>347,819</u>	<u>346,778</u>
Total program services	<u>347,819</u>	<u>-</u>	<u>347,819</u>	<u>346,778</u>
Supporting services				
Management and general	98,637	-	98,637	91,927
Fund raising	<u>22,821</u>	<u>-</u>	<u>22,821</u>	<u>22,505</u>
Total supporting services	<u>121,458</u>	<u>-</u>	<u>121,458</u>	<u>114,432</u>
Total expenses	<u>469,277</u>	<u>-</u>	<u>469,277</u>	<u>461,210</u>
Increase <decrease> in net assets	8,645	-	8,645	< 71,490 >
Net assets, beginning of year	<u>165,803</u>	<u>-</u>	<u>165,803</u>	<u>237,293</u>
Net assets, end of year	<u>\$ 174,448</u>	<u>\$ -</u>	<u>\$ 174,448</u>	<u>\$ 165,803</u>

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

CASA - New Orleans

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2015

	<u>PROGRAM SERVICES</u>	<u>SUPPORTING SERVICES</u>			<u>SUMMARIZED COMPARATIVE INFORMATION</u>
	<u>SPECIAL ADVOCATE</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUND RAISING</u>	<u>TOTAL</u>	<u>For the year ended December 31, 2014</u>
Salaries	\$ 197,689	\$ 62,184	\$ 12,437	\$ 272,310	\$ 268,754
Fringe benefits	58,093	13,499	3,211	74,803	75,857
Travel	7,933	1,359	-	9,292	11,913
Occupancy	31,634	3,515	-	35,149	34,376
Supplies	4,332	542	541	5,415	8,884
Board generated self support	-	-	3,295	3,295	616
Training advocates	7,351	-	-	7,351	7,825
Other expenses	31,787	17,538	3,337	52,662	43,985
Inkind/non-cash contribution (Note A7)	<u>9,000</u>	<u>-</u>	<u>-</u>	<u>9,000</u>	<u>9,000</u>
Total expenses	<u>\$ 347,819</u>	<u>\$ 98,637</u>	<u>\$ 22,821</u>	<u>\$ 469,277</u>	<u>\$ 461,210</u>

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

CASA - New Orleans

STATEMENT OF CASH FLOWS

For the year ended December 31, 2015

		SUMMARIZED COMPARATIVE INFORMATION For the year ended <u>December 31, 2014</u>
Cash flows from operating activities:		
Increase <decrease> in net assets	\$ 8,645	\$ < 71,490>
Adjustments to reconcile increase <decrease> in net assets to net cash provided by <used in> operating activities:		
Changes in assets and liabilities:		
<Increase> decrease in grants receivable	23,175	< 12,941>
Increase <decrease> in accounts payable and accrued liabilities	< 1,761>	398
Increase <decrease> in annual leave payable	<u>< 1,583></u>	<u>3,127</u>
Net cash provided by <used in> operating activities	<u>28,476</u>	<u>< 80,906></u>
Net increase <decrease> in cash and cash equivalents	28,476	< 80,906>
Cash and cash equivalents, beginning of year	<u>138,668</u>	<u>219,574</u>
Cash and cash equivalents, end of year	<u>\$ 167,144</u>	<u>\$ 138,668</u>

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

CASA - New Orleans

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. Organization

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

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

2. Financial Statement Presentation

The corporation's financial statements are presented in accordance with requirements established by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) as set forth under FASB ASC 958. Accordingly, the net assets of the corporation are reported in each of the following classes: (a) unrestricted net assets, (b) temporarily restricted net assets, and (c) permanently restricted net assets.

The net assets and changes therein are classified as follows:

Unrestricted Net Assets - Contributions and other revenue and expenses for the general operation of its programs.

Temporarily Restricted Net Assets - Contributions and other revenues specifically authorized by the donor or grantor to be used for specific purposes.

Permanently Restricted Net Assets - Contributions subject to donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled and removed by actions of the Corporation pursuant to those stipulations. There were no permanently restricted net assets.

3. Revenue Recognition

Contributed support is reported as unrestricted or restricted depending on the existence of donor stipulations that limit the use of the support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activity as "net assets released from restrictions".

Grant revenue is recognized as it is earned in accordance with approved contracts.

CASA - New Orleans

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

4. **Receivables**

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

5. **Depreciation and Amortization**

Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives. Leasehold improvements are amortized over the lives of the respective leases or the service lives of the improvements, whichever is shorter. The straight-line method of depreciation is followed for substantially all assets for financial reporting purposes. There was no depreciation expense for the year ended December 31, 2015.

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

6. **Functional Allocation of Expenses**

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

7. **In-Kind Support**

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

8. **Cash equivalents**

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

9. **Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

10. **Fair Values of Financial Instruments**

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

CASA - New Orleans

NOTES TO FINANCIAL STATEMENTS - CONTINUED

DECEMBER 31, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

11. Subsequent Events

The subsequent events of the organization were evaluated through the date the financial statements were available to be issued (February 4, 2016).

12. Summarized Comparative Information

Summarized comparative information is presented only to assist with financial analysis. Data in these columns do not present financial position, results of operations or changes in net assets in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

NOTE B - GRANTS RECEIVABLE

Grant receivables at December 31, 2015 consist of the following:

Supreme Court of Louisiana	\$ 14,070
Louisiana Commission on Law Enforcement and Administration of Criminal Justice	<u>6,371</u>
	<u>\$ 20,441</u>

NOTE C - COMMITMENT

The corporation leases its administrative and program offices under an operating lease expiring July, 2018. Rent expense for the year ended December 31, 2015 totaled \$29,880. The following is a schedule of minimum rental payments due under its operating lease.

Year ending December 31,	
2016	\$ 29,880
2017	29,880
2018	<u>17,430</u>
	<u>\$ 77,190</u>

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

CASA - New Orleans

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 30, 2015

NOTE D - INCOME TAXES

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

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

NOTE E - BOARD OF DIRECTORS COMPENSATION

The Board of Directors is a voluntary board; therefore, no compensation was paid to any board member for the year ended December 31, 2015.

NOTE F – SUMMARY OF FUNDING

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

<u>Grants</u>	<u>Periods</u>	<u>Grant Award</u>	<u>Revenue Recognized</u>
<u>Governmental</u>			
Louisiana Commission on Law Enforcement and Administration of Criminal Justice CASA Program	1/1/15-12/31/15 4/1/14-12/31/14	\$ 59,063 47,250	\$ 50,203 20,770
State of Louisiana – Supreme Court	7/1/14-6/30/15 7/1/15-6/30/16	265,124 264,153	138,066 <u>108,892</u>
Total governmental grants			<u>\$ 317,931</u>

CASA - New Orleans

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 30, 2015

NOTE G – ECONOMIC DEPENDENCY

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

The corporation's support through federal grants totaled 66% for the year ended December 31, 2015.

SUPPLEMENTAL INFORMATION

CASA - New Orleans

STATEMENT OF ACTIVITIES BY PROGRAM

For the year ended December 31, 2015

SPECIAL ADVOCATE

REVENUE

Grant appropriations – government	\$ 317,931
Contributions	82,889
In-kind contribution	9,000
United Way designations	16,711
Unrestricted revenue	<u>41,587</u>
Total self-generated revenue	468,118
United Way	<u>9,804</u>
Total revenue	<u>477,922</u>

EXPENSES

Salaries	197,689
Fringe benefits	58,093
Occupancy	31,634
Travel	7,933
Supplies	4,332
Training - advocates	7,351
Other program expenses	31,787
In-kind/non-cash contribution	<u>9,000</u>
Total direct program expenses	<u>347,819</u>
Support service expenses	<u>121,458</u>
Total expenses	<u>469,277</u>

INCREASE <DECREASE> IN NET ASSETS \$ 8,645

CASA - New Orleans

STATEMENT OF ACTIVITIES – LOUISIANA
SUPREME COURT TANF PROGRAM

For the year ended December 31, 2015

	For the period January 1, 2015 through <u>June 30, 2015</u>	For the period July 1, 2015 through <u>December 31, 2015</u>	<u>Total</u>
REVENUE			
Grant appropriations	\$ 138,065	\$ 108,892	\$ 246,957
Total revenue	<u>138,065</u>	<u>108,892</u>	<u>246,957</u>
EXPENSES			
Salaries	66,357	61,523	127,880
Fringe benefits	19,325	14,213	33,538
Professional services	1,177	1,582	2,759
Operating expenses	21,293	21,963	43,256
Travel	4,482	662	5,144
Training	1,758	1,507	3,265
Supplies	1,169	284	1,453
Equipment	6,000	-	6,000
Printing	1,219	766	1,985
Administration	<u>15,285</u>	<u>6,392</u>	<u>21,677</u>
Total expenses	<u>138,065</u>	<u>108,892</u>	<u>246,957</u>
Increase <decrease> in net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CASA - New Orleans

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

For the year ended December 31, 2015

Agency Head Name: Joy M. Bruce

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 67,466
Benefits - hospitalization	6,667
Travel	184

Justin J. Scanlan, C.P.A., F.I.C.

A LIMITED LIABILITY COMPANY

4769 ST. ROCH AVE. NEW ORLEANS, LOUISIANA 70122
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
CASA – New Orleans

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of CASA – New Orleans (a nonprofit organization), which comprise the statement of the financial position as of December 31, 2015, 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 February 4, 2016.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether CASA-New Orleans's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance, or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Justin J. Scanlon, CPA, LLC

New Orleans, Louisiana
February 4, 2016

CASA-NEW ORLEANS
SCHEDULE OF FINDINGS AND RESPONSES
For the year ended December 31, 2015

A. FINDINGS – FINANCIAL STATEMENTS AUDIT

There were no financial statement findings for the year ended December 31, 2015.

B. QUESTIONED COSTS

There were no questioned costs for the year ended December 31, 2015.

C. STATUS OF PRIOR YEAR AUDIT FINDINGS

There were no prior year audit findings.