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CASA OF NATCHITOCHEs, LOUISIANA, INC.

FINANCIAL STATEMENTS

June 30, 2006

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1-31-07

Deborah D. Dees, MBA, CPA
122 Jefferson Street
Mansfield, Louisiana 71052
318-872-3007

**CASA of Natchitoches, LA, Inc.
Natchitoches, Louisiana**

Financial Statements
June 30, 2006

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Deborah D. Dees, MBA, CPA



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CERTIFIED PUBLIC ACCOUNTANT

Independent Accountant's Report

To the Board of Directors.
CASA of Natchitoches, Louisiana, Inc.
Natchitoches, LA

I have reviewed the accompanying statement of financial position of CASA of Natchitoches, Louisiana Inc. (a nonprofit organization) as of June 30, 2006, and the related statements of activities and cash flows for the eighteen months then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of CASA of Natchitoches, Louisiana, Inc.

A review consists principally of inquiries of the organization's personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

My review was made for the purpose of expressing limited assurance that there are no material modifications that should be made to the financial statements in order for them to be in conformity with generally accepted accounting principles. The information included in the accompanying Schedule 1 is presented only for supplementary analysis purposes. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but was compiled from information that is the representation of management, without audit or review. Accordingly, I do not express an opinion or any other form of assurance on the supplementary information.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, I have issued a report, dated December 14, 2006, on the results of our agreed-upon procedures.

Deborah D. Dees, CPA

Mansfield, Louisiana
December 14, 2006

Financial Statements

CASA of Natchitoches, Louisiana, Inc.**Statement of Financial Position**

June 30, 2006

ASSETS**Current Assets:**

Accounts receivable		
TANF Grant	\$	12,308
Total current assets		<u>12,308</u>

Property and equipment, net		<u>3,191</u>
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TOTAL ASSETS	\$	<u>15,497</u>
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LIABILITIES AND NET ASSETS**Current Liabilities:**

Accounts payable	\$	392
Exchange Bank Line of Credit		7,440
Payroll taxes payable		<u>2,479</u>
Total Current Liabilities		<u>10,310</u>

Net Assets:

Temporarily restricted		12,308
Unrestricted		<u>(7,119)</u>
Total Net Assets		<u>5,187</u>

TOTAL LIABILITIES AND NET ASSETS	\$	<u>15,497</u>
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See accompanying notes and accountant's report.

CASA of Natchitoches, Louisiana, Inc.**Statement of Activities**

For the eighteen months ended June 30, 2006

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue and Support:			
Grant income	\$ 5,250	\$ 136,442	\$ 141,692
Inkind facility contributions	3,450		3,450
Donations	1,050		1,050
Special events	15,633		15,633
Net assets released from restrictions	150,350	(150,350)	0
Total revenue and support	<u>175,733</u>	<u>(13,908)</u>	<u>161,825</u>
Expenses:			
Program Services			
Court appointed special advocate	167,098		167,098
Supporting Services			
General and administrative	9,144		9,144
Fund-raising	8,438		8,438
Total expenses	<u>184,680</u>	<u>0</u>	<u>184,680</u>
Increase (decrease) in net assets	(8,947)	(13,908)	(22,855)
			0
Total net assets, December 31, 2004	<u>1,828</u>	<u>26,214</u>	<u>28,042</u>
Total net assets, June 30, 2006	<u>\$ (7,119)</u>	<u>\$ 12,306</u>	<u>\$ 5,187</u>

See accompanying notes and accountant's report.

CASA of Natchitoches, Louisiana, Inc.
Statement of Cash Flows
For the eighteen months ended June 30, 2006

Cash flows from operating activities:	
Decrease in net assets	\$ <u>(22,855)</u>
Adjustments to reconcile change in net assets to net cash (used) or provided by operating activities:	
Depreciation	1,145
(Increase) Decrease in grants receivable	14,760
(Increase) Decrease in prepaid insurance	518
Increase (Decrease) in accounts payable	166
Increase (Decrease) in due to board member	(700)
Increase (Decrease) in payroll taxes payable	<u>(148)</u>
Total adjustments	<u>15,741</u>
Net cash provided by operating activities	<u>(7,114)</u>
Cash flows from investing activities	
Cash payments for the purchase of computers	<u>(2,316)</u>
Net cash (used) by investing activities	<u>(2,316)</u>
Cash flows from financing activities	
Proceeds from line of credit	18,257
Payments on line of credit	<u>(12,174)</u>
Net cash provided by financing activities	<u>6,083</u>
Net increase (decrease) in cash and cash equivalents	(3,347)
Cash and equivalents, December 31, 2004	<u>3,347</u>
Cash and equivalents, June 30, 2006	\$ <u><u>0</u></u>

Notes to the Financial Statements

CASA of Natchitoches, Louisiana, Inc.

Notes to the Financial Statements

June 30, 2006

INTRODUCTION

CASA of Natchitoches, Louisiana Inc. (a nonprofit organization) is a member of the National Court Appointed Special Advocate Association. Their mission is to promote advocacy for abused and neglected children; to recruit volunteers and advocates; to provide training and education for such volunteers to assist them in representing children in cases of abuse and neglect; to act with regard to juvenile delinquency and in such other court proceedings in which children are in need of representation, and to provide appropriate investigative, advocacy, counseling and monitoring services. This CASA program serves Natchitoches Parish, Louisiana, and the 10th Judicial District Court in the north central part of the state. The Organization is primarily supported through donor contributions, grants, and fund-raising events. Approximately 85% of the Organization's support was from state and national CASA grants.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed are described to enhance the usefulness of the financial statements to the reader. The financial statements of CASA of Natchitoches, Louisiana, Inc. have been prepared on the accrual basis; therefore, certain revenues and the related assets are recognized when earned rather than when received and certain expenses are recognized when the obligation is incurred rather than when paid. These policies have been consistently applied in the preparation of the financial statements. The corporation has no capital stock.

A. Basis of Accounting

The financial statements are presented in accordance with Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*, which requires the Organization to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The organization has no permanently restricted net assets. In addition, the organization is required to present a statement of cash flows.

B. Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash equivalents consist of short-term, highly liquid investments available for current use with an initial maturity of three months or less. The carrying value of cash approximates fair-value because of the liquidity of those financial instruments. The Federal Deposit Insurance Corporation as of June 30, 2006 insures the checking account at the financial institution.

C. Property and equipment

Property and equipment purchased are recorded at cost. Donations of property and equipment are recorded as support at their estimated fair market value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets 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. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Equipment is depreciated using the straight-line method over a period of five years.

CASA of Natchitoches, Louisiana, Inc.

Notes to the Financial Statements

June 30, 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. 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, this 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 activities as net assets released from restrictions.

E. Income Taxes

The Organization is granted tax exempt status under Internal Revenue Code Section 501(c)(3). 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 has been made in these financial statements.

F. Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities. During the year certain donated costs have been allocated among the programs and supporting services benefited.

G. Donated Services

The use of donated facilities is recognized as a contribution in accordance with SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. CASA of Natchitoches recognized \$3,450 in in-kind contributions of rent and utilities for fundraising during the eighteen months ended June 30, 2006. Volunteers also donated significant amounts of time to the Organization's program services and fundraising events throughout the year that are not recognized as contributions in the financial statements since the criteria under SFAS No. 116 were not met.

H. Vacation and Sick Leave Policy

The Organization's full-time employees are eligible to accumulate 40 hours of vacation time each year. Sick leave is accumulated at two hours every two weeks for a total of 104 hours per year. An employee must use the vacation and sick leave time each year with no leave credit carried over from one contract year to the next; therefore time does not accumulate for the period covered in this period and a compensated absence liability is not recorded in the financial statements.

I. 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.

CASA of Natchitoches, Louisiana, Inc.

Notes to the Financial Statements

June 30, 2006

2. ECONOMIC DEPENDENCY

As indicated in Note 1, the Organization's primary sources of support were from grants awarded from state and national CASA organizations. The Organization was awarded a 2004-2005 TANF grant for a twelve month period from July 1, 2004 to June 30, 2005 and also a 2005-2006 grant for another twelve month period from July 1, 2005 to June 30, 2006. The Organization was awarded a grant from the National CASA Association for the a twelve-month grant period beginning July 1, 2004 through June 30, 2005 and also a 2005-2006 grant for another twelve month period ending June 30, 2006.

3. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

Equipment	\$	4,406
Accumulated Depreciation		<u>(1,214)</u>
Net	\$	<u>3,191</u>

Depreciation expense was \$ 1,145 for year ending June 30, 2006.

Louisiana CASA loaned the Organization three computers with monitors, two printers, a credenza, a fax machine and a refrigerator that are not included in the assets listed above. The Organization purchased four computers, each costing \$579, in November of 2005.

4. SUBSEQUENT EVENTS

In August, 2006, CASA of Natchitoches, Louisiana, Inc. changed its name to CASA of Central Louisiana, Inc. This change was due to the expansion of the organization into Sabine Parish.

5. LITIGATION

At June 30, 2006, CASA of Natchitoches, Louisiana, Inc. has no litigation or claims pending.

6. OBLIGATIONS

The Organization has a line of credit of \$8,000 at Exchange Bank to cover operating expenses until funds from reimbursement grants are received. At June 30, 2006 the outstanding balance was \$7,440 with an interest rate of 11.9%. The minimum payment due at that time was \$371.95 per month. Interest costs for the eighteen months ending June 30, 2006 were \$485.

Supplemental Information Schedules

CASA of Natchitoches, Louisiana, Inc.
Schedule of Income and Operating Expenses by Grant
For the eighteen months ended June 30, 2006

	TANF	National CASA	Totals
Grant Income			
TANF 2004-2005	\$ 16,595	\$ -	\$ 16,595
TANF 2005-2006	79,847		79,847
NCASA 2005-2006	-	40,000	40,000
Total grant income	<u>96,442</u>	<u>40,000</u>	<u>136,442</u>
Operating Expenses:			
Salaries	53,508	44,110	97,618
Payroll taxes	3,778	3,690	7,468
Insurance	7,511	9,008	
Travel	3,345	3,241	6,587
Training	260	550	810
Printing/Copying		688	688
Supplies	6,068	6,502	12,570
Rent/Utilities	11,181	6,354	17,535
Depreciation	1,145		1,145
Other	769	5,389	6,158
Total Operating Expenses	<u>87,565</u>	<u>79,533</u>	<u>167,098</u>
Net increase (decrease) in net assets	<u>\$ 8,877</u>	<u>\$ (39,533)</u>	<u>\$ (30,656)</u>

See accountant's report.

Other Reports

Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Board of Directors of CASA of Natchitoches, Louisiana Inc. Natchitoches, Louisiana

I have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which was agreed to by the management of the CASA of Natchitoches, Louisiana Inc.'s and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about CASA's compliance with certain laws and regulations as of and for the eighteen months ended June 30, 2006 included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with 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 the report. Consequently, I 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.

Federal, State, and Local Awards

- 1. Determine the amount of Federal, state, and local award expenditures for the eighteen-month period by grant and grant year.

Table with 4 columns: Item, State Grant, Federal Grant, Local Grants. Rows include TANF 2004-2005, TANF 2005-2006, National CASA, Weyerheaser Co., and Radio Shack.

Finding: The TANF functional expenditures in the accounting records do not match the monthly reports issued to the reimbursing agency.

Recommendation: The chart of accounts should more closely mirror the grant budget items. Although budget to actual statements are provided, management needs to review more diligently the grant expenditures to determine that the totals appear reasonable when compared to the submitted reimbursement reports.

Management response: We concur and the posting of expenditures will be monitored more closely.

2. For each Federal, state, and local award:

- Randomly select six disbursements from each award administered during the period under examination, provided that no more than 30 disbursements in total will be selected.

There were two separate funding sources from which six disbursements were randomly selected during the eighteen-month period January 1, 2005 through June 30, 2006. The local grants were unrestricted funds.

- Trace the twelve disbursements to supporting documentation as to proper amount and payee.

I have examined invoices, receipts, timesheets, cancelled checks, and/or bank statements that included each of the twelve selected disbursements to determine whether the proper amount was made payable to the correct payee. There were no exceptions noted when performing this procedure.

- Determine if the twelve disbursements were properly coded to the correct fund and general ledger account.

There were two exceptions noted while performing this procedure. One disbursement of \$2,617.02 was coded for the wrong grant. The other expense of \$843.50 was for fund raising (rent of the events center) and was coded as a general and administrative expense. The other ten disbursements selected appeared to be properly coded to the correct fund and general ledger accounts.

Recommendation: The grant expense miscoding results in the issues raised in procedure Number 1 above. Fund raising expenses should not be posted as general administrative expenses, but should be posted in the ledger so that the supportive costs for fund raising and/or special events can be disclosed as required by SFAS No. 117.

Management response: Expenses will be more closely scrutinized and posted and/or allocated as required.

- Determine whether the twelve disbursements received approval from proper authorities.

The twelve disbursements tested appeared to have approval from the proper authorities through review of supporting documentation and check signatures.

- For federal awards, determine whether the disbursements comply with the applicable specific program compliance requirements summarized in the Compliance Supplement (or contained in the grant agreement, if the program is not included in the Compliance Supplement) and for state and local awards, determine whether the disbursements comply with the grant agreement, relating to:

- Activities allowed or unallowed

I reviewed the previously listed disbursements for types of services allowed or not allowed. The allowability requirements appeared to be met for each of the disbursements, because expenditures were included in the approved budget and appeared to coincide with the goals of the program.

- Eligibility

I reviewed the disbursements for eligibility requirements. Disbursements were in accordance with the approved budget for the disbursements reviewed.

- Reporting

The tested disbursements selected were reported properly to the grantor agencies.

- For the programs selected for testing in item (2) that have been closed out during the period under review, compare the close-out report, when required, with the entity's financial records to determine whether the amounts agree.

There were no required close-out reports provided for the programs and period under examination.

Meetings

3. Examine evidence indicating that agendas for meetings recorded in the minute book were posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

There was no evidence that "open meeting" documents were properly posted and complete agendas were made available as required.

Management response: Agendas will be posted as the statute requires.

Comprehensive Budget

4. For all grants exceeding five thousand dollars, determine that each applicable federal, state, or local grantor agency/agencies was provided with a comprehensive budget of those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

CASA of Natchitoches, Inc. provided comprehensive budgets to the applicable local, state, and federal grantors for the programs mentioned previously. These budgets specified the anticipated uses of the funds, estimates of the duration of the project and plans showing specific goals and objectives that included measures of performance.

Prior Comments and Recommendations

5. My engagement will include a review of any prior-year suggestions, recommendations, and/or comments and will indicate the extent to which such matters have been resolved.

My prior year audit report, dated December 31, 2004, did not include any comments or unresolved matters.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of CASA of Natchitoches, Louisiana Inc. and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their

purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Deborah D. Dees, CPA

Deborah D. Dees, CPA
December 14, 2006

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-public Entities)

June 21, 2006

Deborah D. Dees, CPA
122 Jefferson Street
Mansfield, LA 71052

In connection with your review of our financial statements as of June 30, 2006 and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of June 30, 2006.

Federal, State, and Local Awards

We have detailed for you the amount of Federal, state and local award expenditures for the fiscal year, by grant and grant year.

Yes No []

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and grantor officials.

Yes No []

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes No []

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes No []

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Yes No []

Budget

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes No []

Prior Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the federal, state, and local grants, to include the applicable laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We will also disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance which may occur up to the date of your report.

Stephanie Johnson Executive Director 07/06/06 Date
Paul A. Walker Board Treasurer 7/13/06 Date
Debrae Anthony Agers Board Chairman 7/13/06 Date