

# CASA of Terrebonne, Inc.



**Independent Auditor's Report of Financial Statements**  
**As of and for the Year Ended December 31, 2003**

Under provisions of statute, 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 7-28-04

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## CASA OF TERREBONNE, INC.

Independent Auditor's Report on Financial Statements

As of and for the year ended December 31, 2003

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
CASA of Terrebonne, Inc.

We have audited the accompanying statements of financial position of CASA of Terrebonne, Inc. (a nonprofit corporation), as of December 31, 2003, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the CASA of Terrebonne, Inc. as of December 31, 2003, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of grant income and operating cost by grant on page 10 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued our report dated June 10, 2004 on our consideration of the CASA of Terrebonne's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

June 10, 2004

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**TIMOTHY S. KEARNS**  
CERTIFIED PUBLIC ACCOUNTANT  
CASA of Terrebonne, Inc.

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**CASA OF TERREBONNE, INC.**  
**Statement of Financial Position**  
**December 31, 2003**

**ASSETS****CURRENT ASSETS:**

Cash and cash equivalents	\$ 17,000
Grant receivable	<u>128,181</u>

**TOTAL CURRENT ASSETS** **\$ 145,181**

**PROPERTY AND EQUIPMENT:**

Furniture & equipment	\$ 28,620
Accumulated depreciation	<u>(5,000)</u>

**TOTAL PROPERTY & EQUIPMENT** **\$ 23,620**

**TOTAL ASSETS** **\$ 168,801**

**LIABILITIES AND NET ASSETS****CURRENT LIABILITIES:**

Accounts payable	\$ 818
Accrued vacation payable	<u>2,858</u>

**TOTAL CURRENT LIABILITIES** **\$ 3,676**

**NET ASSETS:**

Unrestricted	\$ 15,857
Temporarily restricted	128,181
Restricted	<u>20,820</u>

**TOTAL NET ASSETS** **\$ 168,871**

**TOTAL LIABILITIES & NET ASSETS** **\$ 168,844**

**CASA OF TERREBONNE, INC.**  
**Statement of Activities**  
**For the Year Ending December 31, 2003**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUES AND OTHER SUPPORT:</b>			
Fund-raising activities	\$ 22,318		\$ 22,318
Donations	523		523
In-kind services	14,558		14,558
Interest income	98		98
Grant income		\$ 158,382	158,382
Reversal of program restrictions	<u>187,818</u>	<u>(187,818)</u>	<u>0</u>
<b>TOTAL REVENUES AND OTHER SUPPORT</b>	<b>\$ 225,298</b>	<b>\$ (29,436)</b>	<b>\$ 195,862</b>
<b>EXPENSES:</b>			
Program and services operating cost	\$ 187,818		\$ 187,818
Fund raising special events	1,324		1,324
General and administrative expenses	<u>11,818</u>		<u>11,818</u>
<b>TOTAL EXPENSES</b>	<b>\$ 200,958</b>		<b>\$ 200,958</b>
<b>CHANGE IN NET ASSETS</b>	<b>\$ 24,340</b>	<b>\$ (29,436)</b>	<b>\$ (5,096)</b>

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

**CASA OF TERREBONNE, INC.**  
**Statement of Cash Flows**  
**For the Year Ending December 31, 2003**

Cash flows from operating activities	\$ (9,086)
Increase in net assets	
Adjustments to reconcile net assets to net cash used or provided by	
Operating activities:	
Depreciation	3,255
(Increase) decrease in grants receivable	11,557
Increase (decrease) in accounts payable	(384)
Increase (decrease) in accounts receivable payable	795
Increase (decrease) in accrued payroll & related taxes	<u>(3,637)</u>
Net cash provided by operating activities	6,501
Cash flows from investing activities	
Purchase of furniture and equipment	<u>(5,812)</u>
Net cash used in investing activities	(5,812)
Net increase (decrease) in cash and cash equivalents	659
Cash and cash equivalents	
Beginning of year	<u>10,341</u>
End of year	<u>\$ 11,000</u>

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

**CASA of Terrebonne, Inc.**  
**Notes to the Financial Statements**  
**December 31, 2003**

**INTRODUCTION**

CASA of Terrebonne, Inc. (a nonprofit organization) is a member of the National Court Appointed Special Advocate Association. Their mission is to speak out for the best interests of abused and neglected children who are involved in the juvenile courts to find them safe and permanent homes.

**NOTE 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 the CASA of Terrebonne, Inc. (a nonprofit organization) 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 PRESENTATION**

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. In addition, the organization is required to present a statement of cash flows.

**B. 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.

**C. CASH AND CASH EQUIVALENTS**

The Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. There were no restricted cash equivalents at December 31, 2003.

**D. PROPERTY AND EQUIPMENT**

Property and equipment purchased are recorded at cost. Donations of property and equipment are recorded as support at their estimated fair 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. Property and equipment are depreciated using the straight-line method.

**E. 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, 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 activities as net assets released from restrictions.

**F. ADVERTISING**

Advertising costs are expensed when incurred.

**G. 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.**  
**Notes to the Financial Statements**  
**December 31, 2003**

**H. NATURE OF ACTIVITIES**

CASA of Terrebonne, Inc. is a nonprofit organization that provides trained volunteers as court appointed special advocates to serve as liaisons between the courts and children placed in foster care. The Organization is primarily supported through donor contributions, grants, and fund-raising events. Approximately 81% of the Organization's support was from state and national CASA grants.

**I. 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.

**J. 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*. Volunteers also donated significant amounts of time to the Organization's program services and fund-raising events throughout the year that are not recognized as contributions in the financial statements since the criteria under SFAS No. 116 were not met.

**NOTE II CONCENTRATION OF CREDIT RISK**

As indicated in Note 1, the Organization's primary sources of support were from grants awarded from state and national CASA organizations. The TANF 02-03 grant expired in 2003 as did the NCASA grant. The Organization will not be awarded grants or funding from the national CASA organization for the subsequent grant period. The Organization was awarded a TANF grant for the 2003-2004 period, which will expire in 2004. This grant is the primary source of funding and was not renewed for subsequent periods. Management is actively seeking funding for the upcoming year through other grants; however, in the event the Organization is unable to secure additional funding, the financial position of the Organization could be significantly impacted.

**NOTE III CASH AND CASH EQUIVALENTS**

Cash and Cash Equivalents consisted of the following at December 31, 2003:

**CASA of Terrebonne, Inc.**  
**Notes to the Financial Statements**  
**December 31, 2003**

Cash in Money Market Account	\$10,417
Cash in Checking Account	<u>6,813</u>
Cash and Cash Equivalents	<u>\$17,230</u>

**NOTE IV PROPERTY AND EQUIPMENT**

Property and Equipment at December 31, 2003, consisted of the following:

Furniture and Equipment	\$25,625
Accumulated Depreciation	<u>15,003</u>
Net	<u>\$10,622</u>

Depreciation expense for the year ended December 31, 2003 was \$3,350.

**NOTE V NET ASSETS**

As required by SFAS No. 117, net assets have been reclassified into three categories: unrestricted, temporarily restricted, and restricted. The reclassification is as follows:

Unrestricted	\$ 13,857
Temporarily Restricted	125,191
Restricted	<u>20,623</u>
Total Net Assets	<u>\$161,671</u>

Temporarily restricted net assets are restricted for operating activities for future use. Restricted net assets are composed of property and equipment specifically designated by grant provisions.

## Schedule of Supplementary Information

**CASA OF TERREBONNE, INC.****Supplemental Schedule of Grant Income and Operating Cost by Grant  
For the Year Ending December 31, 2003**

	<u>National</u> <u>CASA</u>	<u>TAMF</u> <u>2003/2003</u>	<u>TAMF</u> <u>2003/2004</u>	<u>Total</u>
Grant income	\$ -	\$ -	\$ 158,382	\$ 158,382
Operating expenses:				
Advocate training	-	3,433	525	3,958
Board training	-	1,681	133	1,814
Bookkeeping	550	398	385	1,333
Depreciation	324	2,484	-	2,758
Employee vacation	-	-	758	758
Insurance	1,351	365	1,285	3,001
Insurance - employee fringe	758	1,843	1,387	4,988
Occupancy cost	2,473	8,438	1,310	12,221
Payroll taxes	588	4,322	2,643	7,553
Postage & box rental	338	894	184	1,416
Printing	1,438	3,488	144	5,070
Professional fees	5,212	5,129	88	10,429
Salaries	12,824	60,855	27,852	101,531
Supplies	1,468	2,828	1,028	5,324
Telephone	1,488	2,144	2,033	5,665
Training	2,859	4,352	358	7,569
Travel	2,888	3,878	3,815	10,581
Workers' compensation	-	-	1,383	1,383
Total operating cost	\$ 35,814	\$ 107,811	\$ 44,603	\$ 188,228

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

## **Reports by Management**

**CASA of Terrebonne, INC.**  
**Summary Schedule of Prior Audit Findings**  
**For the Year Ended December 31, 2003**

Ref. No.  
2002-01

Fiscal Year Finding Initially Occurred  
December 31, 2002

Description of Finding

The Organization maintained its records on the cash basis of accounting and did not perform formal monthly closing processes. In addition, the Organization's accounting system was not supported by written policies and procedures as required by state law.

Corrective Action Taken (Yes, No, Partially)  
Yes

Planned Corrective Action/Partial Corrective Action Taken

Management has adopted formal policies and procedures relating to its accounting transactions.

Ref. No.  
2002-02

Fiscal Year Finding Initially Occurred  
December 31, 2002

Description of Finding

The Organization did not reconcile bank accounts on the last day of the month but rather at various dates. Thus, the reconciliation report did not agree with the general ledger. Also, other reconciliation processes were not performed, such as reconciling cash receipts to amounts reported in the general ledger.

Corrective Action Taken (Yes, No, Partially)  
Yes

Planned Corrective Action/Partial Corrective Action Taken

Management reconciles the bank accounts on the last day of the month as well as reconciles the cash receipts to the amounts reported in the general ledger.

**CASA of Terrebonne, INC.**  
**Summary Schedule of Prior Audit Findings**  
**For the Year Ended December 31, 2003**

Ref. No.  
2002-03

Fiscal Year Finding Initially Occurred  
December 31, 2002

Description of Finding

In recalculating control reports for ticket sales, it was noted that some of the unsold tickets had not been returned. Also, the control report total differed from the amount per books by \$55. This amount is clearly immaterial; however, a reconciliation function could have prevented this error from occurring.

Corrective Action Taken (Yes, No, Partially)

Yes

Planned Corrective Action/Partial Corrective Action Taken

While the Organization no longer holds fund-raising events where ticket sales are necessary, management has adopted a policy whereby all unsold tickets will be returned immediately after each fund-raising event and reconciled to cash receipts reported in the general ledger and on control reports.

**CASA of Terrebonne, INC.**  
**Summary Schedule of Current Audit Findings**  
**For the Year Ended December 31, 2003**

**Ref. No.**  
2003-01

**Description of Finding**

During inquiry of internal control procedures, it was noted that records kept to record information on the pie sale fundraiser, including pie inventory and pie sales reconciliations, had been disposed of prior audit inspection. While the amount of annual pie sale receipts is immaterial, policies on properly retaining records should be adopted and clearly communicated to all employees.

**Corrective Action Planned**

Management will adopt and communicate policies on properly retaining records.

**Names of Contact Person(s)**

Carolyn McHale, President

**Anticipated Completion Date**

December 31, 2004



**Special Reports of  
Certified Public Accountants**



**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
MADE ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
Of CASA of Terrebonne, Inc.

We have audited the financial statements of the CASA of Terrebonne, Inc. as of and for the year ended December 31, 2003, and have issued our report thereon dated June 10, 2004. We conducted our audit in accordance with generally accepted auditing standards 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.

**Compliance**

As part of obtaining reasonable assurance about whether the CASA of Terrebonne's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under Government Auditing Standards. This is described as reference 2003-01 on page 13.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the CASA of Terrebonne's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Directors, management, the Legislative Auditor of the State of Louisiana, and awarding agencies and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

June 10, 2004

**TIMOTHY S. KEARNS**  
CERTIFIED PUBLIC ACCOUNTANT  
General Practice Accountant

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