

CAPITAL AREA CASA ASSOCIATION

Baton Rouge, Louisiana

Financial Report

Years Ended December 31, 2021

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KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Brad E. Kolder, CPA, JD*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Stephen J. Anderson, CPA*
Matthew E. Margaglio, CPA*
Casey L. Ardoin, CPA, CFE*
Wanda F. Arcement, CPA
Bryan K. Joubert, CPA
Nicholas Fowlkes, CPA

C. Burton Kolder, CPA*
Of Counsel

Victor R. Slaven, CPA* - retired 2020
Christine C. Doucet, CPA – retired 2022

* A Professional Accounting Corporation

183 S. Beadle Rd. 11929 Bricksome Ave.
Lafayette, LA 70508 Baton Rouge, LA 70816
Phone (337) 232-4141 Phone (225) 293-8300

1428 Metro Dr. 450 E. Main St.
Alexandria, LA 71301 New Iberia, LA 70560
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1201 David Dr.
Abbeville, LA 70510 Morgan City, LA 70380
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St. 332 W. Sixth Ave.
Ville Platte, LA 70586 Oberlin, LA 70655
Phone (337) 363-2792 Phone (337) 639-4737

WWW.KCSRCPAS.COM

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Capital Area CASA Association
Baton Rouge, Louisiana

Opinion

We have audited the accompanying financial statements of Capital Area CASA Association (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Capital Area CASA Association as of December 31, 2021, 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Capital Area CASA Association and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Capital Area CASA Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Capital Area CASA Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Capital Area CASA Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 24, 2022, on our consideration of Capital Area CASA Association’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 solely 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 effectiveness of Capital Area CASA Association’s 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 Capital Area CASA Association’s internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
August 24, 2022

FINANCIAL STATEMENTS

CAPTIAL AREA CASA ASSOCIATION
Baton Rouge, Louisiana

Statements of Financial Position
December 31, 2021

ASSETS

Current assets:	
Cash and cash equivalents	\$ 335,574
Receivables	90,851
Investments, at fair value	<u>890,261</u>
Total current assets	<u>1,316,686</u>
Non-current assets:	
Land	80,000
Buildings and improvements	1,477,871
Furniture and equipment	9,917
Accumulated depreciation	<u>(440,284)</u>
Total non-current assets	<u>1,127,504</u>
Total assets	<u>\$2,444,190</u>

LIABILITIES AND NET ASSETS

Current liabilities:	
Payroll liabilities	<u>\$ 73</u>
Net assets:	
Without donor restrictions	
Board designated	417,574
Undesignated	2,017,046
With donor restrictions	
Educational services	<u>9,497</u>
Total net assets	<u>2,444,117</u>
Total liabilities and net assets	<u>\$2,444,190</u>

The accompanying notes are an integral part of this statement.

CAPITAL AREA CASA ASSOCIATION
Baton Rouge, Louisiana

Statements of Activities
For The Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Other Support -			
Court costs	\$ 42,785	\$ -	\$ 42,785
Donations	227,463	-	227,463
Fundraising	91,633	-	91,633
Grant income	556,299	-	556,299
Investment income	52,715	-	52,715
Miscellaneous	46	-	46
Total revenues, gains and other support	970,941	-	970,941
Expenses -			
Program services	882,428	-	882,428
Supporting services:			
Fundraising expense	33,796	-	33,796
Management and general	51,475	-	51,475
Total expenses	967,699	-	967,699
Change in net assets	3,242	-	3,242
Net assets, beginning	2,431,378	9,497	2,440,875
Net assets, ending	\$ 2,434,620	\$ 9,497	\$ 2,444,117

The accompanying notes are an integral part of this statement.

CAPITAL AREA CASA ASSOCIATION
Baton Rouge, Louisiana

Statement of Functional Expenses
For the Year Ended December 31, 2021

	Program Services	Supporting Services		Total Expenses
	Court Appointed Special Advocates for Children	Fund - Raising	Management and General	
Compensation and Related Expenses				
Salaries	\$ 526,596	\$ 13,026	\$ 20,468	\$ 560,090
Employee benefits				
Payroll taxes	40,980	1,031	1,619	43,630
Medical insurance	27,336	410	643	28,389
Retirement contribution	13,893	399	626	14,918
	<u>608,805</u>	<u>14,866</u>	<u>23,356</u>	<u>647,027</u>
Casual labor	5,871	-	10,904	16,775
Depreciation	30,305	2,587	4,065	36,957
Dues and memberships	650	-	-	650
Equipment expense	42,018	88	138	42,244
Fundraising expense	-	13,770	-	13,770
Insurance	19,133	713	1,121	20,967
Interest expense	-	-	58	58
Miscellaneous	-	-	8,769	8,769
Postage	1,787	-	-	1,787
Printing and copying	1,477	-	-	1,477
Repairs and maintenance	16,485	1,400	2,199	20,084
Supplies	4,117	36	56	4,209
Staff training	772	-	-	772
Telephone	13,178	299	470	13,947
Travel	-	-	281	281
Utilities	9,994	37	58	10,089
Volunteer recruitment	27,243	-	-	27,243
Volunteer recognition	618	-	-	618
Volunteer services	90,100	-	-	90,100
Volunteer training	9,875	-	-	9,875
Totals	<u>\$ 882,428</u>	<u>\$ 33,796</u>	<u>\$ 51,475</u>	<u>\$ 967,699</u>

The accompanying notes are an integral part of this statement.

CAPITAL AREA CASA ASSOCIATION
Baton Rouge, Louisiana

Statement of Cash Flows
For The Year Ended December 31, 2021

Cash flows from operating activities:	
Change in net assets	<u>\$ 3,242</u>
Adjustments to reconcile change in net assets to net cash flow from operating activities -	
Depreciation	36,957
Unrealized (gain) loss on investment	(19,468)
(Increase) decrease in operating assets	
Receivables	(10,587)
(Decrease) increase in operating liabilities	
Accounts payable	(4,061)
Payroll liabilities	<u>(970)</u>
Total adjustments	<u>1,871</u>
Net cash provided by operating activities	5,113
Cash flows from investing activities:	
Earnings on investments	<u>(32,902)</u>
Net change in cash and cash equivalents	(27,789)
Cash and cash equivalents, beginning of year	<u>363,363</u>
Cash and cash equivalents, end of year	<u><u>\$ 335,574</u></u>

The accompanying notes are an integral part of this statement.

CAPITAL AREA CASA ASSOCIATION
Baton Rouge, Louisiana

Notes to the Financial Statements

(1) Summary of Significant Accounting Policies

(A) Nature of Operations

Capital Area CASA Association (the Organization) is a nonprofit corporation organized under the laws of Louisiana in May 1992. The organization was formed for the purpose of recruiting, training and supporting volunteer court appointed advocates to speak for the best interests of abused and neglected children in court. The Organization's mission is "advocate for timely placement of children in permanent, safe, and stable homes." The Organization serves the children of East Baton Rouge Parish. A Board of Directors manages the operations of the Organization and those Directors receive no compensation for their services. The Organization is primarily funded through grants from various organizations and agencies as well as contributions from private foundations, corporations and individuals.

(B) Income Tax Status

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes. In addition, the Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509 (a) of the Code.

(C) Financial Statement Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains and losses are classified based on the existence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and board of directors.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations that will be met, either (1) by incurring expenses satisfying the restricted purpose (purpose restricted), and/or passage of time or other events (time restricted), or (2) will never expire (perpetual in nature). When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

(D) Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, the Organization considers all unrestricted highly liquid investments with an original maturity of three months or less to be cash equivalents.

CAPITAL AREA CASA ASSOCIATION
Baton Rouge, Louisiana

Notes to the Financial Statements

(E) Investments

Investments consist of mutual funds and exchange-traded funds which do not meet the Organization's definition of cash equivalents. The investments are carried at their fair values in the statement of financial position. The Organization's investment income and unrealized gains and losses are included in the changes in net assets in the accompanying statement of activities.

(F) Receivables

Receivables are stated at unpaid balances. The Organization maintains allowances for doubtful accounts for estimated losses resulting from the inability of its customers/vendors to make required payments. Because collection is expected at 100% an allowance for doubtful accounts has not been recorded.

(G) Property, Furniture and Equipment

Property, furniture and equipment are valued at historical cost for assets purchased and at fair market value at the date of donation for contributed assets. Donations of furniture, fixtures and equipment are recorded as support at their estimated fair market value and are reported as unrestricted unless the donor has restricted the donated assets for a specific purpose. The Organization is not allowed to dispose of any fixed assets purchased with grant proceeds without the approval of the grantor agency. The Organization maintains a threshold level of \$5,000 or more for capitalizing assets. Depreciable assets are depreciated using the straight-line method over the estimated useful lives of the individual assets as follows:

Buildings and improvements	10-40 years
Furniture and equipment	3-10 years

(H) Compensated Absences

Employees of the Organization are entitled to paid vacation, paid sick days, and personal days off, depending on job classification, length of service, and other factors. It is impracticable to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the accompanying financial statements. The Organization's policy is to recognize the costs of compensated absences when actually paid to employees.

(I) Revenue and Expense Recognition

Contributions are recognized when the donor makes a commitment to give and are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Restrictions on gifts of fixed assets or cash for the purchase of fixed assets expire when the asset is placed in service. Expenses are recognized in the period incurred in accordance with the accrual basis of accounting.

CAPITAL AREA CASA ASSOCIATION
Baton Rouge, Louisiana

Notes to the Financial Statements

(J) Federal Financial Awards

Revenues for direct and indirect federal grants and contracts are recorded based on expenses incurred for contracts that are on a cost reimbursement basis and based on the units of service for those contracts which are on a fee for service basis. In the statement of activities, these revenues are referred to as Grant income. Related contract receivables are referred to as receivables in the statement of financial position.

(K) Donated Services and Materials

The Organization recognizes donated services that (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Donated goods, supplies and professional services were valued at \$90,100 for the year end December 31, 2021.

(L) Functional Allocation of Expenses

Expenses are summarized and categorized based on their function classification as either program or supporting services. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. Certain categories of expenses are attributable to more than one program or supporting function. Therefore, these expenses require allocation based on time used for those functions.

(M) Advertising Costs

The Organization uses advertising to promote its programs among the audiences it serves. Advertising costs are expensed as incurred. Advertising expense was \$0 for the year ended December 31, 2021.

(N) Use of Estimates

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

(2) Fair Value Measurements

The fair value of a financial instrument is the current amount that would be exchanged between willing parties, other than in a forced liquidation. Fair value is best determined based upon quoted market prices. However, in many instances, there are no quoted market prices for the Organization's various financial instruments. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instrument.

CAPITAL AREA CASA ASSOCIATION
Baton Rouge, Louisiana

Notes to the Financial Statements

The Organization utilizes fair value measurements to record fair value adjustments to certain financial assets and financial liabilities and to determine fair value disclosures. The Organization has not disclosed any other financial assets or non-financial assets and liabilities recorded at fair value on a recurring or non-recurring basis.

The Organization uses a three-tier fair value hierarchy which prioritizes the inputs used in measuring fair value as follows:

Level 1 – Observable inputs such as quoted prices in active markets.

Level 2 – Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and

Level 3 – Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

The fair value of assets measured on a reoccurring basis at December 31, 2021 is as follows:

	Fair Value Measurement Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Exchange-traded funds	\$ 20,787	\$ 43,088	\$ -	\$ -
Mutual Funds	<u>788,923</u>	<u>847,173</u>	<u>-</u>	<u>-</u>
Total investments	<u>\$ 809,710</u>	<u>\$ 890,261</u>	<u>\$ -</u>	<u>\$ -</u>

The change in net unrealized holding gains and losses on equity security in the amounts of \$19,648 has been included in change in net assets for the year ended December 31, 2021. All of the unrealized gains and losses recognized during the year are for equity securities still held at year end.

At December 31, 2021, several publicly traded limited partnerships, publicly traded corporations and exchange-traded products with unrealized losses have depreciated in value from prior years. These unrealized losses related principally to current global market conditions. Management evaluates the issuers published reports, recent downgrades by bond rating agencies and current market trends when analyzing the issuer’s financial conditions.

(3) Receivables

Receivables was comprised of funds from various grants for \$90,851 at December 31, 2021.

CAPITAL AREA CASA ASSOCIATION
Baton Rouge, Louisiana

Notes to the Financial Statements

(4) Property, Furniture and Equipment

The following is a summary of Property, furniture and equipment and the corresponding accumulated depreciation for the year ended December 31, 2021:

Land	\$ 80,000
Buildings	1,477,871
Furniture and equipment	<u>9,917</u>
Total property, furniture and equipment	1,567,788
Less: Accumulated depreciation	<u>(440,284)</u>
Property, furniture and equipment, net	<u><u>\$ 1,127,504</u></u>

Depreciation expense was \$36,957 for the year ended December 31, 2021.

(5) Retirement Plan

The Organization has a defined contribution salary plan covering all employees. Under the plan the Organization matches the employee's contribution up to three percent of each eligible employee's salary. Plan expenses incurred by the Organization was \$14,918 for the year ended December 31, 2021.

(6) Operating Lease

The Organization leases office equipment under a non-cancelable operating lease agreement expiring in October 2023. Lease expense incurred by the Organization during the year totaled \$2,209.

Future minimum lease payments under the non-cancelable lease are as follows:

Year ended <u>December 31,</u>	
2022	\$ 2,209
2023	<u>1,841</u>
	<u><u>\$ 4,050</u></u>

CAPITAL AREA CASA ASSOCIATION
Baton Rouge, Louisiana

Notes to the Financial Statements

(7) Financial Instruments

Financial instruments which potentially subject the Organization to concentrations of credit risk include temporary cash investments. The Organization maintains its cash and invested funds in a financial institution. Accounts at this institution are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2021, the Organization did not exceed the insured limits.

(8) Board Designated Reserve

In January 2004, the Board approved the establishment of an operating reserve to segregate an amount from net assets without donor restrictions equaling 50% of the adopted annual budgeted expenditures. For the year ended December 31, 2021, this reserve totaled \$417,574.

(9) Liquidity and Availability of Financial Assets

The following represents the Organization's financial assets as of December 31, 2021, reduced by amounts that are not available for general use due to contractual or donor-imposed restrictions within one year of the statement of financial position date. Amounts that are not available also include board designated amounts that could be utilized if the Board of Directors approved the use:

Financial assets, December 31, 2021:

Cash and cash equivalents	\$ 335,574
Investments	890,261
Receivables	<u>90,851</u>
Total current assets	1,316,686

Less those unavailable for general expenditures within one year, due to:

Restricted by donor with time or purpose restrictions	9,497
Board designation	<u>417,574</u>

Financial assets available to meet cash needs for general expenditures within one year:

\$ 889,615

(10) Concentration

The Organization received approximately thirty-six percent (36%) of its total revenue from the Louisiana Supreme Court through its CASA Assistance program and twenty-one percent (21%) of its revenue from the Louisiana Commission on Law Enforcement (LCLE) through its Victims of Crime Act (VOCA) program. The Organization does not expect that the support from these governmental agencies will be lost in the near-term; however, a change in this funding could substantially affect the operations of the Organization.

CAPITAL AREA CASA ASSOCIATION
Baton Rouge, Louisiana

Notes to the Financial Statements

(11) Income Taxes

The Organization is a nonprofit organization exempt from Federal and State income taxes. Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the organization and recognize a tax liability (or asset) if the organization has undertaken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the organization, and has concluded that as of December 31, 2021, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The organization is subject to routine audit by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

(12) Subsequent Events

The Organization has evaluated subsequent events through August 24, 2022, the date which the financial statements were available to be issued.

(13) Recent Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842) intended to improve financial reporting regarding leasing transactions. The new standard affects all companies and organizations that lease assets and liabilities for the rights and obligations created by those leases if the lease terms are more than 12 months. The guidance also will require qualitative quantitative disclosures providing additional information about the amounts recorded in the financial statements. The amendments in this update are effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. The Organization is evaluating the potential impact of the amendment on the Organization's financial statements.

**SUPPLEMENTARY
INFORMATION**

CAPITAL AREA CASA ASSOCIATION
Baton Rouge, Louisiana

Schedule of Compensation, Benefits and Other
Payments to Agency Head
For the Year Ended December 31, 2021

Agency Head: Elizabeth Betz, Executive Director

No public funds were used to compensate, reimburse, or pay benefits for the agency head for the year ended December 31, 2021.

CAPITAL AREA CASA ASSOCIATION
Baton Rouge, Louisiana

Schedule of CASA Assistance Program
Grant Revenues and Expenses
For the Year Ended December 31, 2021

REVENUES:

CASA Assistance Program Federal	\$ 230,284
CASA Assistance Program State	<u>122,097</u>
	<u>352,381</u>

EXPENSES:

Casual labor	5,871
Dues and memberships	650
Equipment expense	20,413
Insurance	10,477
Insurance - health	16,818
Payroll taxes	18,043
Postage	1,787
Printing and copying	1,477
Retirement contributions	5,227
Repairs and maintenance	353
Salaries	231,398
Supplies	3,147
Staff training	160
Telephone	9,673
Utilities	9,562
Volunteer recruitment	15,978
Volunteer training	<u>1,347</u>
	<u>\$ 352,381</u>

**INTERNAL CONTROL,
COMPLIANCE,
AND
OTHER MATTERS**

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183 S. Beadle Rd. 11929 Bricksome Ave.
Lafayette, LA 70508 Baton Rouge, LA 70816
Phone (337) 232-4141 Phone (225) 293-8300

1428 Metro Dr. 450 E. Main St.
Alexandria, LA 71301 New Iberia, LA 70560
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Abbeville, LA 70510 Morgan City, LA 70380
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Ville Platte, LA 70586 Oberlin, LA 70655
Phone (337) 363-2792 Phone (337) 639-4737

WWW.KCSRCPAS.COM

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 of Directors of
Capital Area CASA Association
Baton Rouge, Louisiana

We have audited, 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, the financial statements of Capital Area CASA Association (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, 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 August 24, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Capital Area CASA Association's internal control over financial reporting (internal control) as a basis for designing 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 Capital Area CASA Association's internal control. Accordingly, we do not express an opinion on the effectiveness of Capital Area CASA Association's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Capital Area CASA Association'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 financial statements. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of current prior year audit findings as items 2021-001.

Capital Area CASA Association's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Capital Area CASA Association's response to the findings identified in our audit and described in the accompanying schedule of current and prior year audit findings. Capital Area CASA Association's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report maybe limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
August 24, 2022

CAPITAL AREA CASA ASSOCIATION
Baton Rouge, Louisiana

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended December 31, 2021

Part I. Current Year Findings and Management's Corrective Action Plan:

A. Internal Control Over Financial Reporting

None to report.

B. Compliance

2021-001 Late Report Issuance

Fiscal year finding initially occurred: 2021

CONDITION: The Organization failed to submit its annual financial statements to the Legislative Auditors Office by the statutory due date.

CRITERIA: LSA R.S. 24:513 states that "audits shall be completed within six months of the close of the entity's fiscal year."

CAUSE: The Organization failed to engage an auditor timely.

EFFECT: The Organization has violated state law by failing to submit the audit within six months of the close of the fiscal year.

RECOMMENDATION: Management should take the necessary steps to ensure that an auditor is engaged timely in order for an audit of its annual financial statements and timely submission to the Legislative Auditors Office.

MANAGEMENT'S CORRECTIVE ACTION PLAN: Management is aware of the reporting deadline for submission of its annual audit to the Louisiana Legislative Auditor's Office. Circumstances involving its prior auditor, unknown to the Organization, caused the delay in submitting its most recent audit. Going forward, an auditor will be engaged prior to the conclusion of the current fiscal year.

Part II. Prior Year Findings and Management's Corrective Action Plan:

A. Internal Control Over Financial Reporting

None reported.

B. Compliance

None reported.

Capital Area CASA Association
Baton Rouge, Louisiana

Statewide Agreed-Upon Procedures

Fiscal period January 1, 2021 through December 31, 2021

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Brad E. Kolder, CPA, JD*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Stephen J. Anderson, CPA*
Matthew E. Margaglio, CPA*
Casey L. Ardoin, CPA, CFE*
Wanda F. Arcement, CPA
Bryan K. Joubert, CPA
Nicholas Fowlkes, CPA

C. Burton Kolder, CPA*
Of Counsel

Victor R. Slaven, CPA* - retired 2020
Christine C. Doucet, CPA – retired 2022

183 S. Beadle Rd. 11929 Bricksome Ave.
Lafayette, LA 70508 Baton Rouge, LA 70816
Phone (337) 232-4141 Phone (225) 293-8300

1428 Metro Dr. 450 E. Main St.
Alexandria, LA 71301 New Iberia, LA 70560
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1201 David Dr.
Abbeville, LA 70510 Morgan City, LA 70380
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St. 332 W. Sixth Ave.
Ville Platte, LA 70586 Oberlin, LA 70655
Phone (337) 363-2792 Phone (337) 639-4737

WWW.KCSRCPAS.COM

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of the
Capital Area CASA Association,
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 through December 31, 2021. The Capital Area CASA Association's (the Organization) management is responsible for those C/C areas identified in the SAUPs.

The Organization has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving.
 - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employees(s) rate of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Board or Finance Committee

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

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Collections (excluding EFTs)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies and procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was enforced during the fiscal period.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- e) Trace the actual deposit per the bank statement to the general ledger.

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

- 8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); should not be reported.]
- 10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe that the disbursement matched the related original itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the entity.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

- 11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- 12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation and:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported]
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

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

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management’s representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner’s contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g. if approval is required for any amendment was approval documented).
- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Payroll and Personnel

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

Ethics

- 20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
 - a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b) Observe that the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Debt Service

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

Fraud Notice

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."
 - a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
 - b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - c) Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under 'Payroll and Personnel' above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
27. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344:

- a. Number and percentage of public servants in the agency who have completed the training requirements;
- b. Number of sexual harassment complaints received by the agency;
- c. Number of complaints which resulted in a finding that sexual harassment occurred;
- d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e. Amount of time it took to resolve each complaint.

Findings:

No exceptions were found as a result of procedures list above with the exception of:

Written policies and procedures:

The Organization does not have written policies and procedures addressing Contracting or Information Technology Disaster Recovery/Business Continuity.

Collections (excluding electronic funds transfers):

Sequentially pre-numbered receipts for the 2 deposits tested could not be provided.

Collection dates were not noted, therefore we were unable to test the timeliness of the 2 deposits tested.

Travel & Expense Reimbursements:

Support could not be provided for 1 of 5 reimbursements tested.

Management's Response:

The Capital Area CASA Association concurs with the exceptions and is working to address the deficiencies identified.

We were engaged by the Organization to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
August 24, 2022