

CASA OF TARRANT COUNTY, INC.

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED DECEMBER 31, 2019 AND 2018

**CASA OF TARRANT COUNTY, INC.
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INDEPENDENT AUDITORS' REPORT

Board of Directors
CASA of Tarrant County, Inc.
Fort Worth, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of CASA of Tarrant County, Inc. (a nonprofit organization) which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CASA of Tarrant County, Inc. as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Texas CASA schedule and VOCA schedule are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and 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 audits 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 Matters

Other Information – Schedule of Expenditures of Federal Awards

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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.

Board of Directors
CASA of Tarrant County, Inc.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards* and the *Uniform Grant Management Standards*, we have also issued our report dated September 1, 2020 on our consideration of the Organization'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 the Organization'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* and the *Uniform Grant Management Standards* in considering CASA of Tarrant County, Inc.'s internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Fort Worth, Texas
September 1, 2020

**CASA OF TARRANT COUNTY, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018**

	2019	2018
ASSETS		
Cash and Cash Equivalents	\$ 606,163	\$ 877,688
Restricted Cash	39,115	36,615
Certificate of Deposit	100,578	100,578
Treasury Bills	497,991	-
Grant Receivables	248,741	200,595
Promises to Give	59,325	54,715
Prepaid Expenses	27,318	20,650
Property and Equipment, Net	290,280	64,629
Security Deposit	8,114	8,114
	<u>\$ 1,877,625</u>	<u>\$ 1,363,584</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accrued Expenses	\$ 60,739	\$ 69,120
Tenant Improvement Allowance	88,802	-
Total Liabilities	<u>149,541</u>	<u>69,120</u>
NET ASSETS		
Without Donor Restrictions		
Unrestricted	1,403,435	1,028,389
With Donor Restrictions		
Purpose/Time Restrictions	184,956	128,882
Endowment Funds	139,693	137,193
Total With Donor Restrictions	<u>324,649</u>	<u>266,075</u>
Total Net Assets	<u>1,728,084</u>	<u>1,294,464</u>
	<u>\$ 1,877,625</u>	<u>\$ 1,363,584</u>
Total Liabilities and Net Assets	<u>\$ 1,877,625</u>	<u>\$ 1,363,584</u>

See accompanying Notes to Financial Statements.

CASA OF TARRANT COUNTY, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2019

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, GAINS, AND OTHER SUPPORT			
Contributions	\$ 1,399,201	\$ 242,705	\$ 1,641,906
Grants from Texas CASA	481,829	-	481,829
Grant from VOCA	885,594	-	885,594
Grant from Attorney General	38,727	-	38,727
County Grant	20,000	-	20,000
Grants from City of Arlington	27,900	-	27,900
Grants from City of Fort Worth	34,847	-	34,847
Grants - Other	16,066	-	16,066
Special Events	270,544	-	270,544
Interest Income	1,796	-	1,796
Miscellaneous Income	24,761	-	24,761
Investment Income	3,394	-	3,394
Net Assets Released from Restrictions	184,131	(184,131)	-
Total Revenue, Gains, and Other Support	<u>3,388,790</u>	<u>58,574</u>	<u>3,447,364</u>
EXPENSES			
Program Services Expense	2,303,376	-	2,303,376
Support Services Expense:			
Administration	174,983	-	174,983
Fundraising	535,385	-	535,385
Total Support Services Expense	<u>710,368</u>	<u>-</u>	<u>710,368</u>
Total Expenses	<u>3,013,744</u>	<u>-</u>	<u>3,013,744</u>
CHANGE IN NET ASSETS	375,046	58,574	433,620
Net Assets - Beginning of Year	<u>1,028,389</u>	<u>266,075</u>	<u>1,294,464</u>
NET ASSETS - END OF YEAR	<u>\$ 1,403,435</u>	<u>\$ 324,649</u>	<u>\$ 1,728,084</u>

See accompanying Notes to Financial Statements.

CASA OF TARRANT COUNTY, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2018

	2018		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, GAINS, AND OTHER SUPPORT			
Contributions	\$ 1,192,069	\$ 50,039	\$ 1,242,108
Grants from Texas CASA	399,369	-	399,369
Grant from VOCA	833,184	-	833,184
Grant from Attorney General	42,000	-	42,000
County Grant	20,000	-	20,000
Grants from City of Arlington	25,830	-	25,830
Grants from City of Fort Worth	42,919	-	42,919
Special Events	258,740	-	258,740
Interest Income	2,804	-	2,804
Miscellaneous Income	23,318	-	23,318
Net Assets Released from Restrictions	70,721	(70,721)	-
Total Revenue, Gains, and Other Support	<u>2,910,954</u>	<u>(20,682)</u>	<u>2,890,272</u>
EXPENSES			
Program Services Expense	2,324,304	-	2,324,304
Support Services Expense:			
Administration	169,347	-	169,347
Fundraising	404,597	-	404,597
Total Support Services Expense	<u>573,944</u>	<u>-</u>	<u>573,944</u>
Total Expenses	<u>2,898,248</u>	<u>-</u>	<u>2,898,248</u>
CHANGE IN NET ASSETS	12,706	(20,682)	(7,976)
Net Assets - Beginning of Year	<u>1,015,683</u>	<u>286,757</u>	<u>1,302,440</u>
NET ASSETS - END OF YEAR	<u><u>\$ 1,028,389</u></u>	<u><u>\$ 266,075</u></u>	<u><u>\$ 1,294,464</u></u>

See accompanying Notes to Financial Statements.

**CASA OF TARRANT COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2019**

	Child Advocates Program	Administration	Fundraising	Total
SALARIES AND RELATED EXPENSES				
Salaries	1,492,515	\$ 68,404	\$ 225,326	\$ 1,786,245
Employee Benefits (Health Insurance/ Retirement)	223,730	10,255	33,763	267,748
Staff Recruitment	9,748	-	-	9,748
Payroll Taxes	123,448	5,658	18,629	147,735
Total Salaries and Related Expenses	<u>1,849,441</u>	<u>84,317</u>	<u>277,718</u>	<u>2,211,476</u>
OTHER EXPENSES				
Professional Fees	58,894	41,259	39,839	139,992
Training and Travel	102,204	-	-	102,204
Program Supplies	39,846	-	-	39,846
Other Operating Expense	-	35,764	-	35,764
Marketing	-	-	90,433	90,433
Special Events	53,242	-	99,945	153,187
Volunteer Recognition	15,905	-	-	15,905
Office Expense	28,096	1,204	3,964	33,264
Telephone	12,983	595	1,959	15,537
Postage	-	2,781	-	2,781
Printing	-	2,402	-	2,402
Occupancy	110,725	5,159	16,985	132,869
Insurance	14,715	674	2,221	17,610
Total Other Expenses	<u>436,610</u>	<u>89,838</u>	<u>255,346</u>	<u>781,794</u>
Total Expenses Before Depreciation	2,286,051	174,155	533,064	2,993,270
DEPRECIATION	<u>17,325</u>	<u>828</u>	<u>2,321</u>	<u>20,474</u>
Total Functional Expenses	<u><u>\$ 2,303,376</u></u>	<u><u>\$ 174,983</u></u>	<u><u>\$ 535,385</u></u>	<u><u>\$ 3,013,744</u></u>

See accompanying Notes to Financial Statements.

**CASA OF TARRANT COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2018**

	Child Advocates Program	Administration	Fundraising	Total
SALARIES AND RELATED EXPENSES				
Salaries	\$ 1,455,730	\$ 72,410	\$ 170,488	\$ 1,698,628
Employee Benefits (Health Insurance/ Retirement)	208,583	10,390	24,463	243,436
Staff Recruitment	11,359	-	-	11,359
Payroll Taxes	123,443	6,140	14,457	144,040
Total Salaries and Related Expenses	<u>1,799,115</u>	<u>88,940</u>	<u>209,408</u>	<u>2,097,463</u>
OTHER EXPENSES				
Professional Fees	70,108	31,977	34,160	136,245
Training and Travel	80,375	-	-	80,375
Program Supplies	71,531	-	-	71,531
Other Operating Expense	-	35,429	-	35,429
Marketing	32,534	-	9,342	41,876
Special Events	66,164	-	130,280	196,444
Volunteer Recognition	20,249	-	-	20,249
Office Expense	24,329	4,473	2,849	31,651
Telephone	11,551	575	1,353	13,479
Postage	-	1,990	-	1,990
Printing	1,445	1,919	-	3,364
Occupancy	120,981	2,755	14,169	137,905
Insurance	11,226	558	1,315	13,099
Total Other Expenses	<u>510,493</u>	<u>79,676</u>	<u>193,468</u>	<u>783,637</u>
Total Expenses Before Depreciation	2,309,608	168,616	402,876	2,881,100
DEPRECIATION	<u>14,696</u>	<u>731</u>	<u>1,721</u>	<u>17,148</u>
Total Functional Expenses	<u><u>\$ 2,324,304</u></u>	<u><u>\$ 169,347</u></u>	<u><u>\$ 404,597</u></u>	<u><u>\$ 2,898,248</u></u>

See accompanying Notes to Financial Statements.

**CASA OF TARRANT COUNTY, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 433,620	\$ (7,976)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	20,474	17,148
Realized and Unrealized Gains on Investments	(5,585)	-
Changes in Net Assets and Liabilities:		
Grant Receivables	(48,146)	(10,768)
Promises to Give	(4,610)	28,637
Prepaid Expenses	(6,668)	(17,297)
Accrued Expenses	(8,381)	(3,516)
Unearned Revenue	-	(11,000)
Net Cash Provided (Used) by Operating Activities	380,704	(4,772)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(992,406)	-
Proceeds from Sale of Investments	500,000	-
Purchases of Property and Equipment	(157,323)	-
Net Cash Used by Investing Activities	(649,729)	-
NET DECREASE IN CASH AND CASH EQUIVALENTS	(269,025)	(4,772)
Cash and Cash Equivalents - Beginning of Year	914,303	919,075
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 645,278	\$ 914,303
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Acquisition of Leasehold Improvements Through Capital Lease	\$ 88,802	\$ -
RECONCILIATION TO STATEMENT OF FINANCIAL POSITION		
Cash and Cash Equivalents	\$ 606,163	\$ 877,688
Restricted Cash	39,115	36,615
Total Cash and Cash Equivalents	\$ 645,278	\$ 914,303

See accompanying Notes to Financial Statements.

**CASA OF TARRANT COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 1 NATURE OF BUSINESS

CASA of Tarrant County, Inc. (the Organization) was organized in 1983 as a Texas nonprofit corporation. The Organization is classified by the Internal Revenue Service as tax-exempt under Section 501(c)(3) and as a nonprivate organization under Section 509(a)(1) of the Internal Revenue Code of 1986. The mission of CASA of Tarrant County and its court-appointed volunteers is to advocate for the best interest of abused and neglected children. The Organization currently has 35 full time employees and over 380 volunteers serving the needs of children in the foster care system of Tarrant County, Texas.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the Organization's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

We report contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined statement of activities and changes in net assets as net assets released from restrictions.

**CASA OF TARRANT COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. At December 31, 2019 and 2018, the Organization had \$199,474 and \$-0- of treasury bills that mature within 90 days after year-end. The Organization maintains deposits primarily in three financial institution, which may at times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (FDIC). The Organization has not experienced any losses related to amounts in excess of FDIC limits.

Promises to Give

Unconditional promises to give are recognized when the donor makes a promise to the Organization that is, in substance, unconditional. The Organization uses the direct write-off method to determine uncollectible unconditional promises receivable. The write off is based on management's analysis of specific promises made. All contributions receivables are deemed to be collectible by management within one year.

Investments

The Organization follows the provisions of GAAP, which requires investments with readily determinable fair values to be stated at their fair values with unrealized gains and losses from fluctuations in market value included in the statement of activities and changes in net assets of the respective period.

GAAP establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under GAAP are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 – Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurements.

Investment gains and losses are accounted for using the average cost basis of the securities sold. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

CASA OF TARRANT COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Endowment Funds

The Organization follows GAAP for the net asset classification of donor-restricted and board-designated endowment funds.

The Organization has one endowment which provides funding for the Organization. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Management has interpreted GAAP as requiring the preservation of the fair value of the original gift as of the gift date of donor-restricted endowment funds absent explicit donor stipulations to the contrary. Accordingly, the Organization classifies the original value of all endowment gifts as net assets with donor restrictions. Accumulated net earnings on endowment funds are classified as net assets without donor restrictions.

In accordance with GAAP, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund,
- The purposes of the Organization and the donor-restricted endowment fund,
- General economic conditions,
- The possible effect of inflation and deflation,
- The expected total return from income and the appreciation of investments.

The Organization's primary investment objectives are growth with income and preservation of capital. Management defines risk as the probability of not meeting these objectives. Accordingly, the Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to the activities supported by endowments. Under these policies, as approved by the Organization's board of directors, endowment assets are invested in a manner that is intended to minimize risk by being invested in an interest bearing certificate of deposit and cash.

**CASA OF TARRANT COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Composition and Activity of Endowment Funds

Endowment net assets are composed of donor designated amounts at December 31, 2019 and 2018. The changes in the endowment net assets by net asset classification for the years ended December 31 are as follows:

	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, December 31, 2017	\$ 131,673	\$ 131,673
Investment income, net of expenses (including realized and unrealized gains and losses)	-	-
Contributions	5,520	5,520
Appropriation of endowment assets for expenditure	-	-
Endowment net assets, December 31, 2018	<u>137,193</u>	<u>137,193</u>
Investment income, net of expenses (including realized and unrealized gains and losses)	-	-
Contributions	2,500	2,500
Appropriation of endowment assets for expenditure	-	-
Endowment net assets, December 31, 2019	<u><u>\$ 139,693</u></u>	<u><u>\$ 139,693</u></u>

The Organization invests the assets restricted for the endowment in certificates of deposit with a local bank. The costs basis in the certificate of deposits equals the market value. Once the corpus reaches \$100,000, the interest can be moved to net assets without donor restrictions. The remaining net assets with donor restrictions are included in cash and cash equivalents.

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). At December 31, 2019, there are no underwater endowments noted.

Property and Equipment

Property and equipment are stated at cost. The Organization capitalizes such assets with a cost exceeding \$5,000 and a useful life of one year or more. Depreciation is computed using the straight-line method over the estimated useful lives of the assets for financial reporting purposes. Expenditures for normal maintenance and repairs are expensed as incurred. The cost of assets sold or abandoned and the related accumulated depreciation are eliminated from the accounts and any gains or losses are reflected in the statement of activities and changes in net assets of the respective period. The estimated useful lives of property and equipment range from 3 to 15 years.

**CASA OF TARRANT COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts in the financial statements and accompanying notes. Actual results could differ from these estimates and assumptions.

Federal Income Taxes

The Organization is generally exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, as an organization other than a private foundation.

GAAP requires management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) if the Organization has taken 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, 2019 and 2018, there were 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 audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Revenue Recognition

Revenue is recognized when earned. The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met.

A portion of the Organization's revenue is derived from cost-reimbursable contracts and grants. Amounts received are recognized as earned and are reported as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions as these grants are considered to be conditional. Amounts received but not yet earned are reported as a refundable advance in the statement of financial position. Revenue to be recognized in future years as it is earned under the contract totals \$1,064,431.

Contributions

Donated assets are recorded at their estimated fair value (as determined by management) at the date of donation. Donated services are recognized as contributions if the services, (a) create or enhance nonfinancial assets, or (b) require specialized skills, and are performed by people with those skills, and would otherwise be purchased by the Organization. The Organization pays for most services requiring specialized services. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific program functions, campaign solicitations and various other activities that are not recognized as contributions in the financial statements, because the recognition criteria under GAAP were not met.

CASA OF TARRANT COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In-Kind Contributions

A substantial number of volunteers donate significant amounts of time to the Organization's activities. However, only donated services that create or enhance nonfinancial assets or that require specialized skills are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation are recognized in the accompanying financial statements.

In-Kind contributions recorded consist of various program resources distributed to the Organization's clients and donated goods used at special events. The values assigned to these items are based on the donor's estimated FMV on the date of donation. The total value of in-kinds received during the years ended December 31, 2019 and 2018 was \$117,123 and \$106,627.

Advertising Costs

Advertising costs are expensed as incurred.

Recent Accounting Guidance

In June 2018, FASB issued Accounting Standards Update (ASU) 2018-08, *Accounting Guidance for Contributions Received and Made*. This ASU was issued to clarify accounting guidance for contributions received and contributions made. The amendments to this ASU assists entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as an exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The financial statements reflect the application of ASU 2018-08 for contributions received beginning January 1, 2019. The new guidance does not require prior period results to be restated. The implementation of this standard did not result in any changes to the opening balances of the combined financial statements.

Tenant Improvement Allowance

Tenant improvement allowance includes the landlord incentive on a portion of the leasehold improvement cost, which will be amortized over the life of the lease.

NOTE 3 CERTIFICATE OF DEPOSIT

As of December 31, 2019 and 2018, the Organization has one certificate of deposit totaling approximately \$100,578, which was restricted in the Organization's endowment and recorded at cost. The certificate deposit held at December 31, 2019 and 2018 has a two-year term and bears interest at approximately .2%.

**CASA OF TARRANT COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	<u>2019</u>	<u>2018</u>
Equipment	\$ 125,143	\$ 118,662
Office, Furniture, and Fixtures	195,390	95,171
Leasehold Improvements	<u>122,032</u>	<u>16,358</u>
Total Property and Equipment	442,565	230,191
Less: Accumulated Depreciation	<u>(152,285)</u>	<u>(165,562)</u>
Property and Equipment, Net	<u><u>\$ 290,280</u></u>	<u><u>\$ 64,629</u></u>

NOTE 5 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of December 31, 2019 and 2018 were restricted for the following purposes:

	<u>2019</u>	<u>2018</u>
<u>Purpose Restrictions</u>		
Children's Needs Fund	\$ 25,751	\$ 27,495
Travel Expenses	1,507	1,507
Family Fund	86,543	93,063
Public Relations/Marketing Fund	-	6,817
TBRI and Collaborative Family Engagement Training	<u>21,155</u>	<u>-</u>
Total Purpose Restricted Net Assets	<u><u>\$ 134,956</u></u>	<u><u>\$ 128,882</u></u>
<u>Time Restrictions</u>		
Restricted for Fiscal Year 2020	50,000	-
Total Time Restricted Net Assets	<u><u>\$ 50,000</u></u>	<u><u>\$ -</u></u>
 Total Net Assets With Purpose/Time Restrictions	 <u><u>\$ 184,956</u></u>	 <u><u>\$ 128,882</u></u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors during the year.

	<u>2019</u>	<u>2018</u>
Children's Needs Fund	\$ 1,744	\$ 9,340
Family Fund	8,520	8,172
Public Relations/Marketing	16,817	18,184
Camp Carter	-	35,025
Training	7,000	-
Office Renovations	127,205	-
TBRI and Collaborative Family Engagement Training	<u>22,845</u>	<u>-</u>
Total Net Assets Released from Restricted	<u><u>\$ 184,131</u></u>	<u><u>\$ 70,721</u></u>

**CASA OF TARRANT COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 6 EMPLOYEE BENEFIT PLAN

The Organization has an informal retirement plan covering substantially all employees. Employees are eligible to participate in the plan who have earned at least \$5,000 per year during any two preceding years and who are expected to earn at least \$5,000 in the current year. The Organization offers its employees a matching contribution of up to 3% of compensation. An employee's contributions are made on a pre-tax basis, which effectively lowers their taxable income. Employer contributions to the plan amounted to \$23,431 and \$8,668 during the years ended December 31, 2019 and 2018, respectively.

NOTE 7 COMMITMENTS AND CONTINGENCIES

The Organization leases a building and certain office equipment under operating leases. The building lease is leased under an operating lease which ends on December 31, 2020. The Organization also leases certain equipment under noncancelable operating leases that expire through 2018. Total rental expense was approximately \$115,000 and \$138,000 for years ended December 31, 2019 and 2018, respectively.

As part of the negotiations for the lease renewal on its primary office space, the Organization acquired certain leasehold improvements with a tenant allowance. The tenant improvement allowance is the result of tenant incentives over the lease term on the office lease, and is recorded as a liability in the statement of financial position. This liability is amortized and recognized over the life of the lease so that rent expense accurately reflects market cost at execution of the lease.

Future minimum annual lease obligations, as of December 31, 2019 are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2020	\$ 153,978
2021	168,021
2022	161,665
2023	157,636
2024	159,368
Thereafter	203,372
Total Minimum Lease Payments	<u><u>\$ 1,004,040</u></u>

NOTE 8 REVENUE CONCENTRATIONS

For the year ended December 31, 2018 approximately 10% of CASA's contributions were provided by one donor. There were no significant contribution concentrations for the year ended December 31, 2019. Approximately 92% and 90% of CASA's grant revenue was provided under two contracts with one agency, respectively.

NOTE 9 RELATED PARTY TRANSACTIONS

CASA received \$244,448 and \$130,866 in contributions from board members in 2019 and 2018, respectively.

**CASA OF TARRANT COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 10 LIQUIDITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position, comprise the following at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Cash and Cash Equivalents	\$ 606,163	\$ 877,688
Treasury Bills Maturing in 2020	497,991	-
Restricted Cash	39,115	36,615
Certificate of Deposit	100,578	100,578
Grant Receivables	248,741	200,595
Promises to Give	59,325	54,715
Less Amounts with Donor Restrictions	<u>(324,649)</u>	<u>(266,075)</u>
Total	<u>\$ 1,227,264</u>	<u>\$ 1,004,116</u>

The contributions receivable are subject to implied time restrictions but are expected to be collected within one year. The organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

CASA of Tarrant County's endowment fund consist of donor-restricted endowments and, therefore, is not available for general expenditure.

NOTE 11 FUNCTIONALIZED EXPENSE ALLOCATION METHODOLOGY

The financial statements report certain categories of expenses that are attributable to the program, supporting and fundraising functions of the organization. These expenses include program expenses, special fundraising event expenses and administrative and occupancy expenses. The special event expenses were allocated based management's best estimate between time spent raising program awareness and raising funds at the event. The program and administrative expenses were allocated as a percentage based on total employee time spent between the three departments.

NOTE 12 U.S. TREASURY BILLS

During 2019, CASA of Tarrant County purchased four U.S. Treasury Bills (T-Bills). These T-Bills are subject to the market rate and produced a return of approximately 1.32% and a total amount of \$3,394 in investment income in 2019. As of December 31, 2019, the value of these T-Bills was \$497,991, and they are classified as Level 2 in the fair value hierarchy.

CASA OF TARRANT COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 13 SUBSEQUENT EVENTS

In preparing the financial statements, the Organization has evaluated all subsequent events and transactions for potential recognition or disclosure through September 1, 2020, the date the financial statements were available for issuance.

Subsequent to year-end, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to CASA of Tarrant County, COVID-19 may impact various parts of its 2020 operations and financial results, including ability of donors to give. Management believes CASA of Tarrant County is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events occurred subsequent to year-end and are still developing.

As part of COVID-19 relief efforts, CASA of Tarrant County received a PPP loan in the amount \$367,400 on 4/14/2020. This loan carries an interest of 1% per annum based on a year of 365 days and matures on 4/17/2022. The Organization has the ability to apply for this loan to be forgiveness if used within the spending parameters of the agreement.

CASA OF TARRANT COUNTY, INC.
TEXAS CASA SCHEDULE
YEAR ENDED DECEMBER 31, 2019
(SEE INDEPENDENT AUDITORS' REPORT)

<u>Grantor Program Title</u>	<u>Award Amount</u>	<u>2018 Receivable</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>2019 Receivable</u>
Texas CASA #2019-40 2018-2019	\$ 451,328	\$ 66,696	\$ 386,342	\$ 319,646	\$ -
Texas CASA #2020-40 2019-2020	<u>512,065</u>	<u>-</u>	<u>81,506</u>	<u>162,183</u>	<u>80,677</u>
Total	<u>\$ 963,393</u>	<u>\$ 66,696</u>	<u>\$ 467,848</u>	<u>\$ 481,829</u>	<u>\$ 80,677</u>

CASA OF TARRANT COUNTY, INC.
VOCA SCHEDULE
YEAR ENDED DECEMBER 31, 2019
(SEE INDEPENDENT AUDITORS' REPORT)

<u>Grantor Program Title</u>	<u>Award Amount</u>	<u>2018 Receivable</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>2019 Receivable</u>
Numbers VOCA-2019-40 2018-19	\$ 873,107	\$ 133,899	\$ 796,324	\$ 662,425	\$ -
Numbers VOCA-2020-40 2019-20	<u>937,718</u>	<u>-</u>	<u>74,243</u>	<u>223,169</u>	<u>148,926</u>
Total	<u>\$ 1,810,825</u>	<u>\$ 133,899</u>	<u>\$ 870,567</u>	<u>\$ 885,594</u>	<u>\$ 148,926</u>



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENT PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
AND THE STATE OF TEXAS UNIFORM GRANT MANAGEMENT STANDARDS**

Board of Directors
CASA of Tarrant County, Inc.
Fort Worth, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Uniform Grant Management Standards* of the *State of Texas Single Audit Circular*, the financial statements of CASA of Tarrant County, Inc. (the Organization), which comprise the statements of financial position as of December 31, 2019 and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 1, 2020.

Internal Control over Financial Reporting

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

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

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 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.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and the *Uniform Grant Management Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Fort Worth, Texas
September 1, 2020



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND THE STATE OF TEXAS UNIFORM
GRANT MANAGEMENT STANDARDS**

Board of Directors
CASA of Tarrant County, Inc.
Fort Worth, Texas

Report on Compliance for Each Major Federal and State Program

We have audited CASA of Tarrant County, Inc. CASA of Tarrant County, Inc.'s, the Organization's, compliance with the types of compliance requirements described in the OMB Compliance Supplement and the *Uniform Grant Management Standards* of the *State of Texas Single Audit Circular* that could have a direct and material effect on each of the Organization's major federal and state programs for the year ended December 31, 2019. The Organization's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the federal and state statutes, regulations, and terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; audit requirements of Title 2 U.S. *Code of Federal Regulators Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards* (Uniform Guidance), and the *Uniform Grant Management Standards* of the *State of Texas Single Audit Circular*. Those standards, the Uniform Guidance and the Uniform Grant Management Standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Organization's compliance with those requirements.

Opinion on Each Major Federal and State Program

In our opinion, CASA of Tarrant County, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2019.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2019-001. Our opinion on each major federal program is not modified with respect to these matters.

CASA of Tarrant County's response to the noncompliance findings identified in our audit is described in the accompanying corrective action plan as a separate communication. CASA of Tarrant County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response

Report on Internal Control over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the *Uniform Grant Management Standards* of the *State of Texas Single Audit Circular*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion of the effectiveness on the Organization's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did identify certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2019-001, that we consider to be a significant deficiency.

Board of Directors
CASA of Tarrant County, Inc.

CASA of Tarrant County's response to the internal control over compliance findings identified in our audit is described in the accompanying corrective action plan as a separate communication. CASA of Tarrant County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Fort Worth, Texas
September 1, 2020

**CASA OF TARRANT COUNTY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS ON FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2019**

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ yes X no

Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal and State Awards

Internal control over major programs:

Material weakness(es) identified? _____ yes X no

Significant deficiency(ies) identified that are not considered to be material weakness(es)? X yes _____ none reported

Type of auditors' report issued on compliance for for major programs?

Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance (2 CFR 200.516(a)) ?

_____ yes X no

Identification of major programs:

CFDA Number(s)

16.575

Name of Federal Program or Cluster

Victims of Crime Act

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

_____ yes X no

**CASA OF TARRANT COUNTY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS ON
FEDERAL AND STATE AWARDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019**

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

Significant Deficiency in Controls over Compliance; Other matter

2019-001

Federal agency: Governor's Criminal Justice Division

Federal program title: Victims of Crime Act

CFDA Number: 16.575

Award Period: 10/01/2018 through 09/30/2019 and 10/01/2019 through 09/30/2020

Type of Finding: Significant Deficiency in Internal Control over Compliance; Other Matter

Criteria or specific requirement: The organization must track time and effort based on actual activities performed by the employee. Further, the organization must maintain appropriate personnel records in order to ensure that time and effort is properly documented and maintained, and that proper review and approval of effort spent on federal funds must also be in place.

Condition: The Organization charges salaries to the grant based on the employee positions in the grantor approved budget instead of tracking the employees actual time spent on the program. Employee time sheets are pre-allocated for programs based on the employees' position and which grant they are being charged to. Employees do not always use the most recently updated timesheets which resulted in discrepancies between the employees' documented time and what is supported by what was charged to grants.

Context: CLA reviewed 100% of the salaries charged to the grant for the employees whose time was not maintained properly and found that the organization did not properly track employee time and effort. These errors resulted from employees using the incorrect allocations on their time sheets. However, it was noted that these employees worked almost exclusively on this program and no questioned costs were identified.

Cause: Employees are not properly tracking their time and effort, and the supervisors were not properly reviewing the time cards for accuracy.

Effect: Although none of the errors resulted in questioned costs, failure to follow established controls over review of time sheets and failure to maintain proper payroll records could result in inappropriate costs charged to federal or state grants.

Repeat Findings: Yes

**CASA OF TARRANT COUNTY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS ON
FEDERAL AND STATE AWARDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019**

Recommendation: CLA recommends that the organization implement proper time and effort tracking, and designate an individual with ultimate responsibility for review of the time sheets in order to ensure that time and effort is properly tracked and documented.

Views of responsible officials: There is no disagreement with the audit finding. It is noted the prior year finding included lack of maintaining proper documentation of timesheets. Through our testing in 2019, we noted support for all timesheets were accounted for. This aspect of the prior year finding has been resolved.

Section IV – Schedule of Prior Year Findings

See the following summary schedule of prior year findings.



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Fort Worth, Texas 76102
817.877.5891
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Governor's Criminal Justice Division

CASA of Tarrant County, Inc. respectfully submits the following summary schedule of prior audit findings for the year ended December 31, 2019.

Audit period: 2019

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

FINDINGS – FEDERAL AWARD PROGRAMS AUDITS

2018-001

Condition: Currently there is no policy in place to ensure the timely review of bank reconciliations after they are prepared.

Recommendation: We recommend that the bank reconciliations be reviewed for accuracy and completeness on a timely basis by the Treasurer. The review should include tests of mechanical accuracy and reviewing check copies included in the bank statements to ensure disbursement made are appropriate. The composition of unreconciled differences should be determined and followed up on. We further recommend that the treasurer sign off on the bank statement or send an email as indication of review.

Current Status: The organization has fully implemented a policy to ensure that bank reconciliations are reviewed.

2018-002

Condition: Employee time is not being accurately captured and review of employee time is not being properly performed.

Recommendation: CLA recommends that the organization designate an individual with ultimate responsibility for review of the time sheets in order to ensure that time and effort is properly tracked and documented.

Current Status: The organization has partially corrected the prior year finding in 2019 and is in process of correcting the remaining components in 2020.

If the Governor's Criminal Justice Division has questions regarding this schedule, please call Don Binnicker at 817-877-5891.

**CASA OF TARRANT COUNTY, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2019**

<u>Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Number</u>	<u>Federal Expenditures</u>
U.S. Department of Justice			
Pass-through Programs from:			
Victims of Crime Act	16.575	VOCA-2019-40	\$ 662,425
Victims of Crime Act	16.575	VOCA-2020-40	223,169
Total U.S. Department of Justice			<u>885,594</u>
U.S. Social Security Administration			
Pass-through Programs from:			
Foster Care - Title IV-E	96.658	-	\$ 5,081
Total U.S. Social Security Administration			<u>\$ 5,081</u>
U.S. Department of Housing and Urban Development			
Community Development Block Grant Cluster			
Pass-through Programs from:			
City of Arlington			
Community Development Block Grant	14.218	-	13,000
Community Development Block Grant	14.218	-	14,900
Total U.S. Department of Housing and Urban Development			<u>27,900</u>
Total Federal Awards			<u>\$ 918,575</u>

**CASA OF TARRANT COUNTY, INC.
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED DECEMBER 31, 2019**

<u>Grantor/Program Title</u>	<u>Grant Number</u>	<u>State Expenditures</u>
Texas Health and Human Services Commission		
Pass-through Programs from:		
Crime Victim's Compensation	CVC-2019-40	\$ 319,646
Crime Victim's Compensation	CVC-2020-40	162,183
Total Texas Health and Human Services Commission		<u>481,829</u>
City of Fort Worth		
Crime Control and Prevention District	51470	34,847
Total City of Fort Worth		<u>34,847</u>
Texas Office of the Attorney General		
Other Victims Assistance Grant	1986181	28,000
Other Victims Assistance Grant	2096451	10,727
Total Texas Office of the Attorney General		<u>38,727</u>
Total State Awards		<u>\$ 555,403</u>

CASA OF TARRANT COUNTY, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2018

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of the Organization and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance, Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the *Uniform Grant Management Standards* and the *State of Texas Single Audit Circular*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

NOTE 2 SUBRECIPIENTS

Of the federal and state expenditures presented in the schedule, the Organization provided no federal or state awards to subrecipients.

NOTE 3 NONCASH ASSISTANCE

The Organization did not receive any noncash federal assistance during the year.

NOTE 4 LOANS

The Organization did not receive any federal assistance in the form of loans during the year.

NOTE 5 INDIRECT COST RATES

The Organization has not elected to use the 10% de minimis indirect cost rate, and continues to use the rates negotiated individually with its grantors.

September 16, 2020

Governor's Criminal Justice Division

CASA of Tarrant County, Inc. respectfully submits the following corrective action plan for the year ended December 31, 2019.

Audit period: 2019

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

2019-001

Federal agency: Governor's Criminal Justice Division

Federal program title: Victims of Crime Act

CFDA Number: 16.575

Award Period: 10/01/2018 through 09/30/2019 and 10/01/2019 through 09/30/2020

Type of Finding: Significant Deficiency in Internal Control over Compliance

Criteria or specific requirement: The organization must track time and effort based on actual activities performed by the employee. Further, the organization must maintain appropriate personnel records in order to ensure that time and effort is properly documented and maintained, and that proper review and approval of effort spent on federal funds must also be in place.

Condition: The Organization charges salaries to the grant based on the employee positions in the grantor approved budget instead of tracking the employees actual time spent on the program. Employee time sheets are pre-allocated for programs based on the employees' position and which grant they are being charged to. Employees do not always use the most recently updated timesheets which resulted in discrepancies between the employees' documented time and what is supported by what was charged to grants.

Context: CLA reviewed 100% of the salaries charged to the grant for the employees whose time was not maintained properly and found that the organization did not properly track employee time and effort. These errors resulted from employees using the incorrect allocations on their time sheets. However, it was noted that these employees worked almost exclusively on this program and no questioned costs were identified.

Cause: Employees are not properly tracking their time and effort, and the supervisors were not properly reviewing the time cards for accuracy.

Effect: Although none of the errors resulted in questioned costs, failure to follow established controls over review of time sheets and failure to maintain proper payroll records could result in inappropriate costs charged to federal or state grants.

Repeat Findings: Yes

Recommendation: CLA recommends that the organization implement proper time and effort tracking, and designate an individual with ultimate responsibility for review of the time sheets in order to ensure that time and effort is properly tracked and documented.

Governor's Criminal Justice Division

2019-001 Significant Deficiency in Internal Control over Financial Reporting

Recommendation: CLA recommends that the organization designate an individual with ultimate responsibility for review of the time sheets in order to ensure that time and effort is properly tracked and documented.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding:

CASA of Tarrant County has designated Operations Director, Heather Pearson, and Administrative Assistant, Teresa Jackson, responsible to cross check timesheets against the grant allocation list prepared by Director of Grants and Contracts, Catelyn Devlin. When a position or percentage changes on any grant, the Director of Grants and Contracts must notify Operations Director and Administrative Assistant via email, as well as update a shared document that lists grant allocations (without salary detail). Operations Director will update employee timesheet on the F drive. Supervisors are responsible for making sure time worked and vacation days, sick time, etc., is properly calculated each month. Operations Director and Director of Grants and Contracts are responsible for accuracy of grant allocation.

Name(s) of the contact person(s) responsible for corrective action: Heather Pearson, Teresa Jackson and Catelyn Devlin

Planned completion date for corrective action plan: Beginning August 1, 2020 and ongoing monthly basis.

If the Department has questions regarding this plan, please call Don Binnicker at 817-877-5891.