

NEW YORK STATE CASA ASSOCIATION, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NEW YORK STATE CASA ASSOCIATION, INC.

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
New York State CASA Association, Inc.
Albany, New York

Opinion

We have audited the accompanying financial statements of New York State CASA Association, Inc. (a non-profit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, cash flows and functional expenses for the years 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 New York State CASA Association, Inc. as of December 31, 2020 and 2019, and changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 New York State CASA Association, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 New York State CASA Association, Inc.'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 opinion. 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 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, including omissions, 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 consolidated financial statements.

In performing an audit in accordance with generally accepted 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 consolidated 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 New York State CASA Association, Inc.'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 New York State CASA Association, Inc.'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.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our reports dated November 10, 2021, on our consideration of New York State CASA Association, Inc.'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 those reports are 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 internal control over financial reporting or on compliance. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* in considering New York State CASA Association, Inc.'s internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Cusack & Company, CPA's LLC". The signature is written in a cursive, flowing style.

CUSACK & COMPANY, CPA'S LLC

Latham, New York
November 10, 2021

NEW YORK STATE CASA ASSOCIATION, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2020 AND 2019

Assets

| | <u>2020</u> | <u>2019</u> |
|--------------------------------|--------------------|--------------------|
| Current Assets | | |
| Cash | \$ 155,109 | \$ 235,080 |
| Accounts and Grants Receivable | 451,268 | 22,568 |
| Prepaid Expenses | <u>97,486</u> | <u>3,608</u> |
| Total Current Assets | <u>\$ 703,863</u> | <u>\$ 261,256</u> |

Liabilities and Net Assets

| | | |
|----------------------------------|-------------------|-------------------|
| Current Liabilities | | |
| Accounts Payable | \$ 13,052 | \$ 8,406 |
| Grants Payable | 474,010 | - |
| Accrued Expenses | 28,513 | 11,393 |
| Deferred Revenues | <u>40,704</u> | <u>150,105</u> |
| Total Current Liabilities | 556,279 | 169,904 |
| Net Assets | | |
| Without Donor Restrictions | <u>147,584</u> | <u>91,352</u> |
| Total Liabilities and Net Assets | <u>\$ 703,863</u> | <u>\$ 261,256</u> |

NEW YORK STATE CASA ASSOCIATION, INC.

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

| | <u>2020</u> | <u>2019</u> |
|--|-------------------|------------------|
| Changes in Net Assets Without Donor Restrictions | | |
| Revenues and Reclassifications: | | |
| Grants | \$ 1,446,983 | \$ 726,323 |
| Contributions | 17,721 | 16,560 |
| Payroll Protection Program Loan Forgiveness Income | 16,720 | - |
| Special Event Revenue, Net | - | (3,325) |
| Program Revenue | 125 | - |
| Membership Dues | 5,550 | 5,550 |
| Bank Interest | - | 66 |
| Net Assets Released from Restrictions: | | |
| Satisfaction of Program Restrictions | <u>-</u> | <u>26,085</u> |
| Total Revenues and Reclassifications | <u>1,487,099</u> | <u>771,259</u> |
| Expenses: | | |
| Program Services | 1,383,285 | 756,079 |
| Management and General | 44,139 | 15,248 |
| Fundraising | <u>3,443</u> | <u>542</u> |
| Total Expenses | <u>1,430,867</u> | <u>771,869</u> |
| Increase (Decrease) in Net Assets Without Donor Restrictions | <u>56,232</u> | <u>(610)</u> |
| Changes in Net Assets with Donor Restrictions | | |
| Net Assets Released from Restrictions: | | |
| Satisfaction of Program Restrictions | <u>-</u> | <u>(26,085)</u> |
| Decrease in Net Assets with Donor Restrictions | <u>-</u> | <u>(26,085)</u> |
| Increase (Decrease) in Total Net Assets | 56,232 | (26,695) |
| Net Assets, Beginning of Year | <u>91,352</u> | <u>118,047</u> |
| Net Assets, End of Year | <u>\$ 147,584</u> | <u>\$ 91,352</u> |

NEW YORK STATE CASA ASSOCIATION, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

| | <u>2020</u> | <u>2019</u> |
|---|-------------------|-------------------|
| Cash Flows from Operating Activities | | |
| Change in Total Net Assets | \$ 56,232 | \$ (26,695) |
| Changes in Operating Assets and Liabilities | | |
| (Increase) Decrease in: | | |
| Accounts and Grants Receivable | (428,700) | (12,342) |
| Prepaid Expenses | (93,878) | 123,635 |
| Increase (Decrease) in: | | |
| Accounts Payable | 4,646 | 4,617 |
| Grants Payable | 474,010 | (120,035) |
| Accrued Expenses | 17,120 | 1,645 |
| Deferred Revenues | <u>(109,401)</u> | <u>143,605</u> |
| Net Cash Provided By (Used In) Operating Activities | (79,971) | 114,430 |
| Cash, Beginning of Year | <u>235,080</u> | <u>120,650</u> |
| Cash, End of Year | <u>\$ 155,109</u> | <u>\$ 235,080</u> |
| Supplemental Disclosure of Cash Flow Information: | | |
| Interest Paid | <u>\$ 6,162</u> | <u>\$ -</u> |

NEW YORK STATE CASA ASSOCIATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

| | <u>Program Services</u> | <u>Management and General</u> | <u>Fundraising</u> | <u>Total</u> |
|--------------------------|------------------------------------|--|---------------------------|---------------------|
| Salaries | \$ 214,192 | \$ 7,211 | \$ 1,796 | \$ 223,199 |
| Payroll Taxes | 25,437 | 432 | 235 | 26,104 |
| Advertising | 3,235 | - | - | 3,235 |
| Conferences and Meetings | 7,321 | 125 | 37 | 7,483 |
| Insurance | 3,148 | 1,808 | 35 | 4,991 |
| Office Expense | 19,678 | 564 | 1,340 | 21,582 |
| Professional Fees | 96,890 | 27,020 | - | 123,910 |
| Subrecipient Grants | 970,412 | - | - | 970,412 |
| Filing Fees | - | 190 | - | 190 |
| Information Technology | 42,836 | 619 | - | 43,455 |
| Miscellaneous | <u>136</u> | <u>6,170</u> | <u>-</u> | <u>6,306</u> |
| Total Expenses | <u>\$ 1,383,285</u> | <u>\$ 44,139</u> | <u>\$ 3,443</u> | <u>\$ 1,430,867</u> |

NEW YORK STATE CASA ASSOCIATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

| | <u>Program Services</u> | <u>Management and General</u> | <u>Fundraising</u> | <u>Total</u> |
|--------------------------|------------------------------------|--|---------------------------|---------------------|
| Salaries | \$ 72,860 | \$ 3,941 | \$ 83 | \$ 76,884 |
| Payroll Taxes | 5,851 | 419 | 8 | 6,278 |
| Advertising | 234 | - | - | 234 |
| Conferences and Meetings | 19,503 | 81 | - | 19,584 |
| Insurance | 4,160 | 261 | - | 4,421 |
| Office Expense | 10,906 | 586 | 451 | 11,943 |
| Professional Fees | 69,065 | 9,492 | - | 78,557 |
| Subrecipient Grants | 545,031 | - | - | 545,031 |
| Filing Fees | - | 105 | - | 105 |
| Website Maintenance | 2,384 | 363 | - | 2,747 |
| Donation Expenses | <u>26,085</u> | <u>-</u> | <u>-</u> | <u>26,085</u> |
| Total Expenses | <u>\$ 756,079</u> | <u>\$ 15,248</u> | <u>\$ 542</u> | <u>\$ 771,869</u> |

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The New York State CASA Association, Inc. (“CASA”) is a non-profit corporation organized under the laws of the State of New York principally for the purpose of providing support to New York State Court-Appointed Special Advocates programs which utilize trained community volunteers to advocate on behalf of children in child welfare proceedings. CASA works to promote, assist and support the development, growth, and continuation of CASA programs in the State of New York that agree to follow the standards set by the National CASA Association.

Basis of Accounting

The financial statements of CASA have been prepared in accordance with accounting principles generally accepted in the United States of America, using the accrual basis of accounting. CASA adopted the accounting treatment prescribed by the FASB’s Accounting Standards Codification (ASC). Accordingly, support and revenue are recognized when earned and expenses are recognized when the obligation is incurred.

Receivables

CASA utilizes the allowance method to determine the allowance for doubtful accounts. At December 31, 2020 and 2019 management determined no allowance was necessary based upon their review of specific receivables and prior history.

Deferred Revenue

Deferred revenue primarily consists of grant funds unexpended as of December 31. These are recognized as revenue as soon as the expenses are incurred.

Net Assets

Net assets of CASA, and changes therein, are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations.

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations that will be met either by actions of CASA and/or the passage of time.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Contributions received and unconditional promises to give are measured at their fair values and reported as an increase in net assets. CASA reports gifts of cash and other assets as donor restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as support without donor restrictions.

Revenue on cost reimbursement grants and contracts is recognized to the extent actual expenditures have been incurred in compliance with the specific grant requirements. Other grant and contract revenue is recognized in the period earned if on a fee for services basis. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred.

Revenue from Contracts with Customers

Revenue from contracts with customers is recognized in accordance with a five-step model as follows:

- Identify the contract with the customer
- Identify the performance obligation(s) in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligation(s) in the contract
- Recognize revenue when earned or as performance obligation(s) are satisfied

Contract Assets

Amounts related to services provided to customers which have not been billed and that do not meet the conditions of an unconditional right to payment at the end of the reporting period are contract assets. Contract asset balances consist primarily of services provided to customers who are still receiving services at the end of the year. There were no contract assets at December 31, 2020 and 2019.

Contract Liabilities

Contract liabilities represent revenue that has been deferred for the funds advanced by third party payors for CASA's contracts received related to services that have not yet been provided to customers. Contract liabilities consist of payments made by funding and other sources for CASA's contracts for services not yet performed that are expected to be performed within the next fiscal year. Contract liabilities at December 31, 2020 and 2019 totaled \$40,704 and \$150,105, respectively, and consist of grant funds received but unexpended.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

The costs of providing CASA's programs and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs benefitted. Salaries are allocated based on estimates of total time spent, while other expenses are allocated based on estimates of the resources used.

Tax Exempt Status

CASA is a not-for-profit organization and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, and has been designated a publicly supported organization which is not a private foundation under Section 509(a) of the Code. Accordingly, no provision for income taxes has been made in these financial statements.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities 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.

Fair Value Measurements

For assets and liabilities measured at fair value on a recurring basis, the ASC requires expanded disclosures about fair value measurements and establishes a three-level hierarchy for fair value measurements based on the observable inputs to the valuation of an asset or liability at the measurement date. Fair value is defined as the price that CASA would receive upon selling an asset or pay to transfer a liability in an orderly transaction between market participants. It prioritizes the inputs to the valuation techniques used to measure fair value by giving the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements), and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

Accounting for Uncertainty in Income Taxes

The ASC requires entities to disclose in their financial statements the nature of any uncertainty in their tax position. CASA has not recognized any benefits or liabilities from uncertain tax positions in 2020 and believes it has no uncertain tax positions for which it is reasonably possible that will significantly increase or decrease net assets. Generally, federal and state authorities may examine CASA's tax returns for three years from the date of filings; consequently, income tax returns for the years prior to 2017 are no longer subject to examination by tax authorities.

NEW YORK STATE CASA ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2020 AND 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

Management has evaluated subsequent events or transactions as to potential material impact on operations or financial position occurring through November 10, 2021, the date the financial statements were available to be issued. No such events or transactions were identified.

2. NET ASSETS RELEASED FROM RESTRICTIONS

Purpose Restrictions accomplished for the following:

| | <u>2020</u> | <u>2019</u> |
|-----------------------|-------------|------------------|
| <i>Special Events</i> | | |
| Onondaga | <u>\$ -</u> | <u>\$ 26,085</u> |

3. SPECIAL EVENTS

A summary of special events for 2020 and 2019 is as follows:

| | <u>2020</u> | |
|----------|--------------|--------------|
| | <u>Other</u> | <u>Total</u> |
| Revenues | \$ - | \$ - |
| Expenses | - | - |
| | <u>\$ -</u> | <u>\$ -</u> |

| | <u>2019</u> | |
|----------|-------------------|-------------------|
| | <u>Other</u> | <u>Total</u> |
| Revenues | \$ 1,240 | \$ 1,240 |
| Expenses | (4,565) | (4,565) |
| | <u>\$ (3,325)</u> | <u>\$ (3,325)</u> |

4. PAYCHECK PROTECTION PROGRAM (PPP) LOAN FORGIVENESS INCOME

The Paycheck Protection Program (PPP) provides 100% federally guaranteed loans to small businesses, designed to help small businesses keep workers employed amid the pandemic and economic shutdown. More importantly, the loan may be forgiven if the borrower maintains their payroll during the crisis or restores their payroll afterwards and uses the funds to cover payroll, certain payroll related costs, rent, and utilities during a 24 week period after receiving the loan, as outlined in the PPP. During April 2020, CASA applied for a PPP loan and received \$16,720. The loan was fully forgiven as of April 2021 and accordingly recognized as unrestricted revenue as of December 31, 2020.

5. LINE OF CREDIT

CASA obtained a line of credit from the Community Loan Fund of the Capital Region in March 2020 for \$250,000 with an interest rate of 6.5%. The line of credit was obtained for the purpose of providing grant funds to local programs in the midst of COVID-19. CASA requested drawdowns in March and May of 2020, in the amounts of \$30,098 and \$66,322, respectively. Requirements include current assets greater than current liabilities, positive net revenue excluding depreciation and all tax payments up-to-date. All drawdowns were paid back to the Community Loan Fund of the Greater Capital Region as of December 31, 2020 and 2019.

6. CONTINGENT LIABILITY

CASA participates in various grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. Accordingly, CASA's compliance with applicable grant/contract requirements will be established at some future date. The amount, if any, of any expenditures or funding which may be disallowed by the granting agencies cannot be determined at this time, although management expects such amounts, if any, to be immaterial.

7. CONCENTRATIONS

CASA is dependent on grant revenues received from the New York State Office of Court Administration (OCA) and the New York State Office of Victim Services (OVS). Significant concentrations of revenue included the following at December 31, 2020 and 2019:

| <u>Source</u> | <u>2020 Percent of Total Support and Revenue</u> | <u>2019 Percent of Total Support and Revenue</u> |
|---------------|--|--|
| OCA | 42% | 94% |
| OVS | 55% | 3% |

8. LIQUIDITY

CASA has \$606,377 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of \$155,109 in cash and \$451,268 in accounts and grants receivable. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the balance sheet date. CASA has a goal to maintain financial assets, which consist of cash and accounts and grants receivable, on hand to meet 60 days of normal operating expenses, which are, on average, approximately \$240,000. CASA has a policy to structure its financial assets to be available as its general expenditures and other obligations become due. Should an unforeseen liquidity need arise, CASA could also draw upon a \$250,000 line of credit.

9. UNCERTAINTY

In the State of New York, where CASA operates, the Governor issued Executive Order 202.6, during March 2020, which limited concentrations of individuals outside of their homes to workers providing essential services. CASA continues to monitor the latest guidance from State Health officials on operating in the midst of COVID-19. It is unknown how long the adverse effects of the Coronavirus will last and what the complete financial effect will be to CASA.

**ADDITIONAL REPORTS REQUIRED BY *GOVERNMENT*
AUDITING STANDARDS AND THE UNIFORM GUIDANCE**

**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
New York State CASA Association, Inc.
Albany, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of New York State CASA Association, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020 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 November 10, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered New York State CASA Association, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of New York State CASA Association, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation'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 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 may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Cusack & Company, CPA's LLC". The signature is written in a cursive, flowing style.

CUSACK & COMPANY, CPA'S LLC

Latham, New York
November 10, 2021

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors
New York State CASA Association, Inc.
Albany, New York

Report on Compliance for Each Major Federal Program

We have audited New York State CASA Association, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of New York State CASA Association, Inc.'s major federal program for the year ended December 31, 2020. New York State CASA Association, Inc.'s major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of New York State CASA Association, Inc.'s major federal program 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; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 the major federal program occurred. An audit includes examining, on a test basis, evidence about New York State CASA Association, Inc.'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 its major federal program. However, our audit does not provide a legal determination of New York State CASA Association, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, New York State CASA Association, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2020.

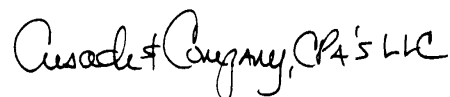
Report on Internal Control Over Compliance

Management of New York State CASA Association, Inc. 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 New York State CASA Association, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of New York State CASA Association, Inc.'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 program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies in internal control over compliance, such that there is a possibility that material noncompliance with a type of compliance requirement of a federal 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 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 the 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 that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.



CUSACK & COMPANY, CPA'S LLC

Latham, New York
November 10, 2021

NEW YORK STATE CASA ASSOCIATION, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2020

| <u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u> | <u>Federal CFDA Number</u> | <u>Pass-Through Entity Identifying Number</u> | <u>Passed Through to Subrecipients</u> | <u>Federal Expenditures</u> |
|--|---|--|---|--|
| <u>U.S. Department of Justice</u> | | | | |
| Passed Through New York State Office of Victim Services Victims of Crime Act Victims and Witness Assistance Grant Program | 16.575 | OVS01-C11016GG - 1080200 | <u>\$ 471,930</u> | <u>\$ 814,404</u> |

1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards presents the activity of federal award programs administered by New York State CASA Association, Inc. (CASA), which is described in Note 1 to CASA's general purpose financial statements, using the accrual basis of accounting. Federal awards that are included in the schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies. The information is presented in accordance with the requirements of the Uniform Guidance.

2. SCOPE OF THE AUDIT PURSUANT TO THE UNIFORM GUIDANCE

CASA is a tax-exempt organization. All federal grant operations of CASA are included in the scope of the Single Audit.

3. SUBRECIPIENTS/LOAN OR LOAN GUARANTEES

Amounts totaling \$471,930 were provided to subrecipients as of December 31, 2020. There were no loans or loan guarantees at December 31, 2020.

4. INDIRECT COST RATE

CASA has elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

NEW YORK STATE CASA ASSOCIATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's 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 no

Noncompliance material to financial statements noted? _____ yes X no

FEDERAL 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)? _____ yes X none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? _____ yes X no

Identification of major programs.

CFDA NUMBER(S)

NAME OF FEDERAL PROGRAM OR CLUSTER

16.575

Victims of Crime Act Victim and Witness Assistance Grant Program

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? _____ yes X no

SECTION II - FINANCIAL STATEMENT FINDINGS

See Page 22.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No findings or matters were reported.

SECTION IV - RESOLUTION OF PRIOR YEAR AUDIT FINDINGS

Not applicable.

2020-1 Bank Statement/Credit Card Statement Review and Approval

During our cash disbursement walkthrough procedures of the bank statement/reconciliation process, we noted that the statements are not approved by the Executive Director, neither electronically on Box (under the “activity” section) nor on the face of the statement/reconciliation. We also noted that the credit card statement was not approved during our credit card process walkthrough.

Recommendation: We recommend utilizing the approval feature on Box (the same way it is used for A/P transactions) to create an audit trail when reviewing bank statements and credit card statements.

2020-2 Executive Director Credit Card Approval

During our review of the credit card process, we noted that the Executive Director approves her own credit card charges.

Recommendation: In order to strengthen segregation of duties, we recommend a member of the Board (either the President or Treasurer) review and approve all Executive Director credit card transactions before payment, and document approval on Box.