

COURT APPOINTED SPECIAL ADVOCATES OF
SOMERSET, HUNTERDON, AND WARREN COUNTIES, INC.
FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017



Gillen & Johnson, P.A. *Certified Public Accountants*

182 West High Street
Somerville, NJ 08876

Tel 908-722-6400 Fax 908-722-4853
www.GJ-CPA.com

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Court Appointed Special Advocates of Somerset,
Hunterdon, and Warren Counties, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Court Appointed Special Advocates of Somerset, Hunterdon, and Warren Counties, Inc. (hereafter referred to as "CASA of SHaW, Inc."), which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities, cash flows and functional expenses 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 audits. We conducted our audits 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 auditor's 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 SHaW, Inc. as of June 30, 2018 and 2017, 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.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information (shown on the Schedule of Expenditures of Federal and State Awards), as required by State of New Jersey Single Audit policy, 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 taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 18, 2018 on our consideration of CASA of SHaW, 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 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 CASA of SHaW, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CASA of SHaW, Inc.'s internal control over financial reporting and compliance.



GILLEN & JOHNSON, P.A.
Somerville, New Jersey
September 18, 2018

COURT APPOINTED SPECIAL ADVOCATES OF
SOMERSET, HUNTERDON, AND WARREN COUNTIES, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2018 AND 2017

ASSETS

	2018	2017
Cash	\$ 238,604	180,327
Grants receivable	115,064	104,425
Prepaid expenses	5,480	11,563
Fixed assets (Note 3)	5,295	631
Security deposit	<u>1,900</u>	<u>1,900</u>
Total assets	\$ <u>366,343</u>	<u>298,846</u>

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable and accrued expenses	\$ <u>13,321</u>	<u>10,289</u>
Total liabilities	13,321	10,289
Net assets:		
Unrestricted	<u>353,022</u>	<u>288,557</u>
Total liabilities and net assets	\$ <u>366,343</u>	<u>298,846</u>

See accompanying accountants' audit report and notes to financial statements.

COURT APPOINTED SPECIAL ADVOCATES OF
SOMERSET, HUNTERDON, AND WARREN COUNTIES, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
Changes in unrestricted net assets:		
Revenue and gains:		
Government grants:		
Federal: Victim Assistance Grant Program	\$ 192,264	157,509
Federal: Community Development Block Grant	19,643	23,879
Federal: National CASA Association	11,400	-
State: Legislative allocation	117,770	122,953
County: Hunterdon County	10,029	16,221
Other revenue and gains:		
Foundation - other	25,175	29,667
Corporate donations	5,000	-
Individual donations	37,039	49,188
Special events revenue	85,198	88,903
Special events expenses	(28,314)	(24,412)
Investment income (loss)	701	140
Donated services and materials (Note 5)	<u>402,054</u>	<u>324,032</u>
Total revenue and gains	877,959	788,080
 Total unrestricted revenue and gains	 <u>877,959</u>	 <u>788,080</u>
 Expenses and losses:		
Program services	741,983	602,664
Management and general	43,018	36,846
Fundraising	<u>28,493</u>	<u>24,572</u>
Total expenses	<u>813,494</u>	<u>664,082</u>
 Increase in unrestricted net assets	 <u>64,465</u>	 <u>123,998</u>
 Increase in net assets	 64,465	 123,998
Net assets, beginning of year	<u>288,557</u>	<u>164,559</u>
Net assets, end of year	\$ <u>353,022</u>	<u>288,557</u>

See accompanying accountants' audit report and notes to financial statements.

COURT APPOINTED SPECIAL ADVOCATES OF
SOMERSET, HUNTERDON, AND WARREN COUNTIES, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
Cash flows from operating activities:		
Increase in net assets	\$ 64,465	123,998
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	631	421
(Increase) decrease in:		
Grants receivable	(10,639)	(16,678)
Miscellaneous receivables	-	500
Prepaid expenses	6,084	(10,063)
Increase in:		
Accounts payable and accrued expenses	<u>3,031</u>	<u>468</u>
Net cash provided by operating activities	<u>63,572</u>	<u>98,646</u>
 Cash flows from investing activities:		
Capital expenditures	<u>(5,295)</u>	<u>-</u>
Net cash used in investing activities	<u>(5,295)</u>	<u>-</u>
 Net increase in cash	58,277	98,646
Cash at beginning of year	<u>180,327</u>	<u>81,681</u>
Cash at end of year	\$ <u>238,604</u>	<u>180,327</u>

See accompanying accountants' audit report and notes to financial statements.

COURT APPOINTED SPECIAL ADVOCATES OF
SOMERSET, HUNTERDON, AND WARREN COUNTIES, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30, 2018 AND 2017

	<u>Year ended June 30, 2018</u>			
	<u>Program services</u>	<u>Management and general</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 243,572	26,967	19,428	289,967
Payroll taxes	19,580	2,168	1,562	23,310
Medical insurance	9,517	1,054	759	11,330
Donated volunteer services	342,729	-	-	342,729
Donated services and other	49,833	5,517	3,975	59,325
Rent	15,708	1,739	1,253	18,700
Program expense	11,945	-	-	11,945
Dues and subscriptions	716	79	57	852
Insurance	4,330	479	345	5,154
Office supplies	2,603	288	208	3,099
Payroll processing fees	1,596	177	127	1,900
Postage and delivery	1,175	130	94	1,399
Printing and reproduction	1,179	-	-	1,179
Professional fees	1,530	3,470	-	5,000
Public relations and marketing	2,262	250	180	2,692
Technology and consulting fees	6,214	-	-	6,214
Technology subscriptions	5,732	-	-	5,732
Telephone	3,048	337	243	3,628
Training and program development	8,372	-	-	8,372
Volunteer expenses	6,429	-	-	6,429
Depreciation	631	-	-	631
Miscellaneous expenses	3,282	363	262	3,907
	<u>\$ 741,983</u>	<u>43,018</u>	<u>28,493</u>	<u>813,494</u>

	<u>Year ended June 30, 2017</u>			
	<u>Program services</u>	<u>Management and general</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 206,633	24,398	17,925	248,956
Payroll taxes	17,236	2,035	1,495	20,766
State unemployment tax refund	(7,753)	(916)	(673)	(9,342)
Medical insurance	8,293	979	719	9,991
Donated volunteer services	289,209	-	-	289,209
Donated services and other	28,903	3,413	2,507	34,823
Rent	14,161	1,672	1,228	17,061
Program expense	16,150	-	-	16,150
Dues and subscriptions	770	91	67	928
Insurance	4,660	550	404	5,614
Office supplies	2,799	330	243	3,372
Payroll processing fees	1,421	168	123	1,712
Postage and delivery	838	99	73	1,010
Printing and reproduction	1,792	-	-	1,792
Professional fees	1,500	3,400	-	4,900
Public relations and marketing	1,838	217	159	2,214
Technology and consulting fees	3,542	-	-	3,542
Telephone	2,634	311	229	3,174
Training and program development	2,132	-	-	2,132
Volunteer expenses	4,649	-	-	4,649
Depreciation	421	-	-	421
Miscellaneous expenses	836	99	73	1,008
	<u>\$ 602,664</u>	<u>36,846</u>	<u>24,572</u>	<u>664,082</u>

See accountants' audit report and accompanying notes to financial statements.

COURT APPOINTED SPECIAL ADVOCATES OF
SOMERSET, HUNTERDON, AND WARREN COUNTIES, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 1 - DESCRIPTION OF ORGANIZATION

CASA of SHaW, Inc. was incorporated on March 30, 2005 as a New Jersey non-profit corporation. The primary purpose of the Organization is to perform the following functions in Somerset, Hunterdon and Warren Counties, New Jersey:

- (a) Advocate for the best interests of children in out-of-home placement and under the jurisdiction of the Family Part of the New Jersey Superior Court.
- (b) Recruit, train, supervise and motivate community volunteers who will assist the Court by gathering relevant information about the child and the family through file reviews and interviews with the child, parents, foster parents/resource parents, relatives, teachers, doctors, social workers and anyone else who might have pertinent information.
- (c) Establish and maintain strong, positive relationships with the Court, the New Jersey Division of Youth and Family Services, Child Placement Review Boards, Case Assessment Resource Teams, Case Management Organizations, the Offices of the Public Defender, and other agencies and institutions in order to create a cooperative environment in which to best serve the needs of the children.
- (d) Educate and inform the community about the role of CASA in the court system and in the lives of children in out-of-home placement; represent the CASA program at local and county level organizations concerned with child welfare; promote awareness of child abuse and prevention strategies; and promote cultural competence among CASA staff and volunteers.
- (e) To engage in such other activities as it deems appropriate to provide assistance, through advocacy, to abused and neglected children in out-of-home placement, and to assist such children to achieve permanency in a safe and nurturing environment.
- (f) To work in a collaborative manner with state and national CASA programs.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The Organization's financial statements are presented in accordance with general accounting standards issued by the Financial Accounting Standards Board. The standards require an organization to provide certain basic information on the organization as a whole. An organization is required to provide a statement of financial position, a statement of activities and a statement of cash flows which classify the organization's net assets based on the restrictions imposed on the net assets. Specifically, the net assets are to be classified as permanently restricted, temporarily restricted or unrestricted based on the time and/or stipulations of the restrictions. As a voluntary health and welfare organization, a statement of functional expenses is also required.

COURT APPOINTED SPECIAL ADVOCATES OF
SOMERSET, HUNTERDON, AND WARREN COUNTIES, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

The Organization's financial reporting and activities are governed by certain regulatory and donor restrictions. To ensure observance of these limitations and restrictions on the use of financial resources, the Organization maintains its accounts on an accrual basis using net asset accounting as prescribed by the standards. Financial resources are classified for accounting and reporting purposes in the following net asset classifications according to their nature and purpose:

- **Unrestricted:** This classification of net assets is used to account for financial resources available for the general operations of the Organization.
- **Temporarily restricted:** This classification of net assets is used to account for financial resources limited in use by a donor-imposed restriction or the Board of Directors of the Organization. Further, these resources are temporary in nature due to the fact the restriction can expire or be fulfilled.
- **Permanently restricted:** This classification of net assets is used to account for financial resources limited in use by a donor-imposed restriction which can neither expire nor be fulfilled.

The Organization had no temporarily or permanently restricted net assets at June 30, 2018 and 2017.

The Organization has adopted the accounting method for the statement of activities which allows donor-restricted contributions whose restrictions are met in the same reporting period to be reported as unrestricted support.

Use of estimates

The process of preparing financial statements in accordance with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Cash and cash equivalents

Cash and cash equivalents include all highly-liquid investments with a maturity of three months or less at the date of purchase. The Organization minimizes its credit risk by placing its cash and cash equivalents with major banks and financial institutions. The Organization believes that no concentration of credit risk exists with respect to cash and cash equivalents.

Revenue recognition

Cash contributions are generally recognized when received. Unconditional pledges and associated receipts are recognized as described below. Revenue from government grant awards which are conditioned upon Organization requests for expense reimbursements are recognized during the period in which such expenses were incurred.

COURT APPOINTED SPECIAL ADVOCATES OF
SOMERSET, HUNTERDON, AND WARREN COUNTIES, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

Contributions

Under the general accounting standards issued by the Financial Accounting Standards Board for contributions received and contributions made, the Organization recognizes contributions received as unrestricted, temporarily restricted, or permanently restricted support depending on the nature of any donor restrictions. Unconditional pledges (or promises to give) of monetary resources that are expected to be collected within one year are recorded at their full amount less a reserve for uncollectible pledges. Unconditional pledges that are expected to be collected in future years are recorded at the present value of their future cash flows less a reserve for uncollectible pledges. Conditional pledges are not included as support until the conditions are substantially met. Pledges of future services to be provided to the Organization are recorded when the contributed services are received.

Contributed supplies and services

Under the general accounting standards issued by the Financial Accounting Standards Board, the Organization recognizes contributions of supplies and of services which create or enhance nonfinancial assets or require specialized skills that would typically need to be purchased if not provided by donation. Such services are valued at the rate necessary to replace these services. Services that do not meet the above criteria are not recognized.

Fixed assets

Fixed assets are stated at cost or estimated fair value, if donated, less accumulated depreciation. Depreciation is provided over the estimated useful life of the respective asset on a straight-line basis.

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Tax status

The Organization is exempt from income taxes as a charitable not-for-profit organization under Internal Revenue Code Section 501(c)(3), and is not a private foundation.

The Organization evaluates all significant tax positions as required by the general standards of accounting for uncertainty in income taxes established by the Financial Accounting Standards Board. The Organization does not believe that it has taken any tax positions that would require the recording of any additional tax liability nor does it believe that there are any unrealized tax benefits that would increase or decrease within the next twelve months.

The Organization files returns in the federal, New Jersey and other state jurisdictions. The returns filed within the last four years are generally open for examination by those jurisdictions.

COURT APPOINTED SPECIAL ADVOCATES OF
SOMERSET, HUNTERDON, AND WARREN COUNTIES, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

New accounting standards

Revenue: In May 2014 the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*. The standard will have differing effects on revenue recognition by entities based on whether: goods or services are exchanged at a point in time or over a period of time; there is any variable revenue; more than one contract is entered into for an obligation; more than one event must occur in order to earn the revenue; there is a financing component for long-term contracts; there are significant collection risks. Most entities will have additional disclosure requirements, including more disaggregation of revenue and the disclosure of judgments and estimates applied in the measurement of revenue. For most nonpublic entities, the standard is effective for annual reporting periods beginning after December 15, 2018. Early adoption is permitted for annual reporting periods beginning after December 15, 2016.

Leases: In February 2016 the FASB issued ASU 2016-02, *Leases*. This new standard significantly changes the way lessees account, classify, and report for leases for property, plant, and equipment under accounting principles generally accepted in the United States of America. Under the new standard, a lessee will recognize long-term leases on the statement of financial position as a lease payment liability to make lease payments, and an offsetting right-of-use asset representing the entity's right to use the underlying asset for the lease term. The lease payment liability will be initially measured at the present value of the lease payments. For most nonpublic entities, the standard is effective for annual reporting periods beginning after December 15, 2019. Early adoption is permitted.

Not-for-profit entity financial reporting: In August 2016 the FASB issued ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. This new standard will change the presentation and classification of net assets. Principal changes are as follows:

- The current classification of net assets (unrestricted, temporarily restricted and permanently restricted) will be replaced by two classes of net assets: Net assets without donor restrictions and Net assets with donor restrictions. Footnote disclosures will be required to include the timing and nature of the restrictions, as well as the composition of net assets at the end of the period. The disclosures will continue to show an analysis by time, purpose, and perpetual restrictions. Also, the disclosure of any designation or appropriation of net assets by the governing body will be mandatory.
- Information about the function and nature of expenses will be presented in one location: in the footnotes, in the statement of activities, or as a separate statement. Voluntary health and welfare organizations will no longer be required to present a statement of functional expenses, but may choose from one of the three options to report this information. Additional disclosures will also be required regarding specific methodologies used to allocate costs among program and support functions.
- Disclosures aimed at improving a financial statement user's understanding of an organization's liquidity and how it is being managed will be required. These

COURT APPOINTED SPECIAL ADVOCATES OF
SOMERSET, HUNTERDON, AND WARREN COUNTIES, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

include qualitative information on the management of liquid resources, and quantitative information that communicates the availability of financial assets, to meet cash needs for general expenditures within one year of the date of the financial statements.

Additional changes affect the reporting of: investment expenses; endowments that have a current fair value that is less than the original gift amount (or amount required to be retained by donor or by law), known as “underwater” endowments; contributions of long-lived assets (for example, equipment and buildings or cash and other assets restricted to the purchase of long-lived assets); and cash flows reported on the direct method.

The standard is effective for annual financial statements issued for fiscal years beginning after December 15, 2017, and for interim periods within fiscal years beginning after December 15, 2018. Early application is permitted.

Organization management is currently evaluating the effect that these ASUs will have on the Organization’s financial statements.

NOTE 3 - FIXED ASSETS

Fixed assets are summarized as follows:

	2018	2017
Office equipment	\$ 7,399	12,459
Furniture and fixtures	<u>4,255</u>	<u>4,255</u>
	11,654	16,714
Accumulated depreciation	<u>6,359</u>	<u>16,083</u>
	\$ <u>5,295</u>	<u>631</u>

NOTE 4 - LEASE COMMITMENTS

The Organization is obligated under leases for the rental of its premises as follows:

Washington office (Warren County)

The Organization is obligated under a lease for the rental of office space which expires on June 30, 2020. Monthly rent is \$1,450 per month.

Bridgewater office (Somerset County)

The Organization is obligated under a lease for the rental of office space which expires on June 30, 2020. Monthly rent is \$264 per month.

Aggregate minimum annual rentals for these leases are \$20,568 for each of the years ended June 30, 2019 and 2020.

COURT APPOINTED SPECIAL ADVOCATES OF
SOMERSET, HUNTERDON, AND WARREN COUNTIES, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 5 - DONATED SERVICES AND MATERIALS

The Organization received donated services and materials as follows:

	2018	2017
Volunteer services	\$ 342,729	289,209
Accounting and administrative services	14,890	26,823
Gifts for abused and neglected children and other program-related items	<u>44,435</u>	<u>8,000</u>
	<u>\$ 402,054</u>	<u>324,032</u>

NOTE 6 - DEPENDENCY FOR FUNDING

The Organization receives most of its support in the form of grants and contributions from the New Jersey Legislature (which is passed through CASA of New Jersey, Inc.), other federal and state government grants, private foundations and other organizations. The Organization also receives technical support services and marketing materials from CASA of New Jersey, Inc. The continued operations of the Organization are contingent upon continued support from these sources.

NOTE 7 - SUBSEQUENT EVENTS

The Financial Accounting Standards Board has established general standards of accounting for and disclosure of events that occur after the date of the statement of financial position but before the date that the financial statements are issued or are available to be issued. These standards also require disclosure of the date through which an entity has evaluated subsequent events. Accordingly, the Organization has evaluated, for potential recognition and disclosure, events that have occurred through September 18, 2018, the date the financial statements were available to be issued.

COURT APPOINTED SPECIAL ADVOCATES OF
SOMERSET, HUNTERDON, AND WARREN COUNTIES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2018

Federal grantor/Pass-through grantor/ Program or cluster Title	Federal CFDA No.	Pass-through entity indenti- fying number	<u>Expenditures</u>
<u>FEDERAL AWARDS</u>			
U.S. Department of Justice / pass-through from New Jersey Department of Law and Public Safety, Office of the Attorney General / Victim Assistance Grant Program (federal award number 2015-VA-GX-0021)/ Provision of Court Advocacy Services to Victims of Child Abuse and Neglect in:			
Somerset County [Calendar year 2017; grant award amount \$49,260]	16.575	VAG-42-15	\$ 24,654
Hunterdon County [Calendar year 2017; grant award amount \$51,616]	16.575	VAG-41-15	26,936
Warren County [Calendar year 2017; grant award amount \$52,800]	16.575	VAG-40-15	25,610
Somerset County [grant period January 1, 2018- August 31, 2019; grant award amount \$130,538]	16.575	VAG-48-16	39,756
Hunterdon County [grant period January 1, 2018- August 31, 2019; grant award amount \$116,930]	16.575	VAG-47-16	34,248
Warren County [grant period January 1, 2018- August 31, 2019; grant award amount \$158,237]	16.575	VAG-49-16	41,060
U.S. Department of Justice, Office of Juvenile Justice and Delinquency Prevention / pass-through from National CASA Association / Local Suburban / [Grant period January 1, 2018-December 31, 2018; grant award amount \$22,500]	16.756	NJ1119- 17-0118-LS	11,400
U.S. Department of Housing and Urban Develop- ment / pass-through from Somerset County / Community Development Block Grant / Supervision of Volunteers in Somerset County [Grant period September 1, 2016-February 28, 2018; grant award amount \$23,000]	14.218	16-YCA61-06	7,727
U.S. Department of Housing and Urban Develop- ment / pass-through from Somerset County / Community Development Block Grant / Supervision of Volunteers in Somerset County [Grant period September 1, 2017-February 28, 2019] grant award amount \$20,024]	14.218	17-YCA71-06	11,916
<u>STATE AWARDS</u>			
State of New Jersey, Department of Children and Families/Division of Child Protection and Permanency/ pass-through from CASA of New Jersey, Inc./			

COURT APPOINTED SPECIAL ADVOCATES OF
SOMERSET, HUNTERDON, AND WARREN COUNTIES, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2018
(CONTINUED)

Federal grantor/Pass-through grantor/ <u>Program or cluster Title</u>	Federal CFDA No.	Pass-through entity identi- <u>ifying number</u>	<u>Expenditures</u>
Legislative allocation from Child Protective and Permanency Services and Safety and Permanency in the Courts to the Court Appointed Special Advocate Program [Grant period July 1, 2017-June 30, 2018; grant award amount \$117,770 (Somerset \$56,528; Hunterdon \$32,575; Warren \$28,667)]		18GPLC	<u>117,770</u>
Total expenditures of federal and state awards			\$ <u>341,077</u>

See accompanying notes to schedule of expenditures of federal and state awards.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and state awards includes the federal and State of New Jersey grant activity of Court Appointed Special Advocates of Somerset, Hunterdon, and Warren Counties, Inc. and is presented on the the accrual basis of accounting.

NOTE 2 - SUBRECIPIENTS

Court Appointed Special Advocates of Somerset, Hunterdon, and Warren Counties, Inc. provided no federal or state awards to subrecipients during the year.



**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***

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Court Appointed Special Advocates of Somerset,
Hunterdon, and Warren Counties, Inc.

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 Court Appointed Special Advocates of Somerset, Hunterdon, and Warren Counties, Inc. (hereafter referred to as "CASA of SHaW, Inc."), which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated September 18, 2018.

Internal Control Over Financial Reporting

In planning and performing our audits of the financial statements, we considered CASA of SHaW, 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 CASA of SHaW, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of CASA of SHaW, Inc.'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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether CASA of SHaW, 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 result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



GILLEN & JOHNSON, P.A.
Somerville, New Jersey
September 18, 2018

COURT APPOINTED SPECIAL ADVOCATES OF
SOMERSET, HUNTERDON, AND WARREN COUNTIES, INC.
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2018

SECTION I – FINANCIAL STATEMENTS FINDINGS

We did not identify any matters that are required to be reported in accordance with the 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*.

SECTION II – SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No findings were reported in the prior year audit for the year ended June 30, 2017.

SECTION III – FEDERAL AND STATE AWARD FINDINGS AND QUESTIONED COSTS

No findings or questioned costs reported.