

**CASA OF NEW JERSEY, INC.**  
FINANCIAL STATEMENTS  
AND  
SUPPLEMENTARY INFORMATION

June 30, 2018

**CASA OF NEW JERSEY, INC.**

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June 30, 2018

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Trustees of  
CASA of New Jersey, Inc.

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Court Appointed Special Advocates ("CASA") of New Jersey, Inc. (the "Organization") which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses and cash flows for the year 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.

## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* and State of New Jersey Circular Letter 15-08-OMB (the "Circular"), *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying divisional statements of financial position and divisional statements of activities 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 was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2018, 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, grant agreements and other matters. The purpose of that report is 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 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 the Organization's internal control over financial reporting and compliance.

### **Report on Summarized Comparative Information**

We have previously audited the Organization's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 22, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Mercadieu, P.C.*  
*Certified Public Accountants*

December 18, 2018

**CASA OF NEW JERSEY, INC.**STATEMENTS OF FINANCIAL POSITION  
June 30, 2018  
(With Comparative Totals for June 30, 2017)

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 535,387	\$ 567,169
Accounts receivable	7,092	-
Loans receivable	-	496
Grants receivable	<u>86,268</u>	<u>27,065</u>
Total current assets	628,747	594,730
Security deposit	18,816	18,816
Property and equipment	<u>13,630</u>	<u>16,796</u>
Total Assets	<u>\$ 661,193</u>	<u>\$ 630,342</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 21,344	\$ 18,841
Refundable advances	<u>-</u>	<u>240</u>
Total Liabilities	<u>21,344</u>	<u>19,081</u>
Net Assets		
Unrestricted	497,520	433,459
Temporarily restricted	<u>142,329</u>	<u>177,802</u>
Total Net Assets	<u>639,849</u>	<u>611,261</u>
Total Liabilities and Net Assets	<u>\$ 661,193</u>	<u>\$ 630,342</u>

**CASA OF NEW JERSEY, INC.**

## STATEMENTS OF ACTIVITIES

Year Ended June 30, 2018

(With Comparative Totals for the Year Ended June 30, 2017)

	2018			2017
	Unrestricted	Temporarily Restricted	Total	Total
Support and revenues				
Government grants	\$ 2,175,502	\$ -	\$ 2,175,502	\$ 2,080,795
Foundation grants	78,167	41,500	119,667	82,228
Contributions	67,215	-	67,215	65,089
Donated services and facilities	145,307	-	145,307	111,780
Special events	123,521	-	123,521	93,631
Program services	22,433	-	22,433	-
Interest income	401	-	401	311
Other income	795	-	795	-
Loss on disposal of assets	-	-	-	(250)
Net assets released from restrictions	<u>76,973</u>	<u>(76,973)</u>	<u>-</u>	<u>-</u>
Total support and revenues	<u>2,690,314</u>	<u>(35,473)</u>	<u>2,654,841</u>	<u>2,433,584</u>
Expenses				
Program services	2,547,065	-	2,547,065	2,321,113
Management and general	15,732	-	15,732	13,758
Fundraising	<u>63,456</u>	<u>-</u>	<u>63,456</u>	<u>34,300</u>
Total expenses	<u>2,626,253</u>	<u>-</u>	<u>2,626,253</u>	<u>2,369,171</u>
Change in net assets	64,061	(35,473)	28,588	64,413
Net assets, beginning of year	<u>433,459</u>	<u>177,802</u>	<u>611,261</u>	<u>546,848</u>
Net assets, end of year	<u>\$ 497,520</u>	<u>\$ 142,329</u>	<u>\$ 639,849</u>	<u>\$ 611,261</u>

See notes to financial statements.

**CASA OF NEW JERSEY, INC.**

## STATEMENTS OF FUNCTIONAL EXPENSES

Year Ended June 30, 2018

(With Comparative Totals for the Year Ended June 30, 2017)

	2018			2017	
	Program Services	Management and General	Fundraising	Total	Total
State grant to local CASAs	\$ 1,563,952	\$ -	\$ -	\$ 1,563,952	\$ 1,562,484
Salaries, payroll taxes and benefits	559,309	9,885	17,261	586,455	466,091
Donated services and facilities	145,307	-	-	145,307	111,780
Professional fees	44,432	1,667	417	46,516	54,836
Occupancy	47,533	1,231	493	49,257	46,555
Peer coordinator grants to local CASAs	44,568	-	-	44,568	17,850
Middlesex peer coordinator project	-	-	-	-	11,900
Program expenses	3,600	-	-	3,600	13,133
Special events	-	-	44,345	44,345	17,861
Travel	14,821	151	151	15,123	14,118
Office supplies and expense	24,662	574	233	25,469	11,506
Insurance	10,266	365	91	10,722	8,028
Communications	17,053	629	179	17,861	7,124
Training expenses	38,138	-	-	38,138	5,490
Printing and graphics	9,329	258	97	9,684	4,661
Advertising and marketing	7,706	102	79	7,887	3,603
Depreciation	3,785	158	40	3,983	3,065
Dues and subscriptions	3,996	14	-	4,010	2,765
Meeting expense	366	122	-	488	2,623
Equipment	3,693	38	22	3,753	1,433
Postage and delivery	4,549	163	48	4,760	1,358
Miscellaneous	-	375	-	375	907
Total expenses - 2018	<u>\$ 2,547,065</u>	<u>\$ 15,732</u>	<u>\$ 63,456</u>	<u>\$ 2,626,253</u>	
Total expenses - 2017	<u>\$ 2,321,113</u>	<u>\$ 13,758</u>	<u>\$ 34,300</u>		<u>\$ 2,369,171</u>

**CASA OF NEW JERSEY, INC.**

## STATEMENTS OF CASH FLOWS

Year Ended June 30, 2018

(With Comparative Totals for the Year Ended June 30, 2017)

	<u>2018</u>	<u>2017</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 28,588	\$ 64,413
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	3,983	3,065
Loss on disposal of assets	-	250
Change in cash from		
Loans receivable	496	13,173
Accounts receivable	(7,092)	-
Grants receivable	(59,203)	2,684
Accounts payable and accrued expenses	2,503	4,273
Local grants payable	-	(11,900)
Refundable advances	<u>(240)</u>	<u>240</u>
Net cash from operating activities	(30,965)	76,198
Cash Flows from Investing Activities		
Purchase of property and equipment, net	<u>(817)</u>	<u>(13,681)</u>
Net change in cash and cash equivalents	(31,782)	62,517
Cash and cash equivalents, beginning of year	<u>567,169</u>	<u>504,652</u>
Cash and cash equivalents, end of year	<u>\$ 535,387</u>	<u>\$ 567,169</u>



## **CASA OF NEW JERSEY, INC.**

### **NOTES TO FINANCIAL STATEMENTS**

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#### **A. NATURE OF ORGANIZATION**

Court Appointed Special Advocates ("CASA") of New Jersey, Inc. (the "Organization") is a nonprofit organization incorporated in the State of New Jersey and affiliated with the National CASA Association. The purpose of the Organization includes, but is not limited to, promoting, assisting and supporting the sustainability and growth of CASA programs in New Jersey. CASA programs promote the protection of abused and neglected children by using trained volunteers to advocate for these children in court, with particular focus on the children's safety, well-being and permanency. The Organization secures funding, primarily from federal and state grants, for its operations and to pass through to all twenty-one New Jersey counties to support existing CASA programs. The Organization assists these local CASA programs in maintaining quality services to the court and the children served. This is done by providing training and technical assistance for board and staff members on the following topics: data gathering, volunteer training and management, board governance, strategic planning, resource development, public relations output, stakeholder relations and CASA case-specific issues.

In 2010, the Board of Trustees of the Organization approved a merger with CASA of Middlesex County, Inc. ("CASA Middlesex"), a 501(c)(3) organization. CASA Middlesex was dissolved and the operations of this local CASA are now included with the operations of CASA.

#### **B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **Basis of Presentation**

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Net assets and revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

The Organization is required to report information regarding its financial position and activities according to three classes of net assets:

- Unrestricted net assets - net assets not subject to donor-imposed stipulations, and therefore expendable for operating purposes.
- Temporarily restricted net assets - net assets subject to donor-imposed stipulations that will be met by actions of the Organization and/or by the passage of time.
- Permanently restricted net assets - net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or donor-specified purposes. The Organization has no permanently restricted net assets.

##### **Comparative Financial Information**

The financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2017, from which the summarized information was derived.

## CASA OF NEW JERSEY, INC.

### NOTES TO FINANCIAL STATEMENTS

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#### B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### **Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

##### **Cash and Cash Equivalents**

The Organization considers cash and cash equivalents to be all highly liquid debt instruments with an initial maturity of ninety days or less. Cash and cash equivalents consist mainly of cash and money market funds.

##### **Advances, Loans and Grants Receivable**

The Organization considers all receivables to be fully collectible; accordingly, no allowance for doubtful amounts is required. If amounts become uncollectible, they will be charged to the change in net assets when that determination is made.

##### **Property and Equipment**

Property and equipment purchased in excess of \$500 are capitalized as assets and recorded at cost, except for donated items, which are recorded at the fair value on the date of donation. Depreciation is provided over the estimated useful lives of the assets using the straight-line method. The estimated useful lives are as follows:

Equipment and furniture	5-7 years
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Repairs and maintenance which do not extend the useful lives of the related assets are expensed as incurred.

##### **Refundable Advances**

Refundable advances relate to unspent government grant payments that have been received prior to fiscal year end.

##### **Public Support Revenue Recognition**

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Unconditional promises to give due in the next year are reflected as current promises to give and are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reflected as long-term promises to give and are recorded at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are received to discount the amounts.

Conditional promises to give are recognized when the conditions on which they are dependent are substantially satisfied. Federal and state award grants are classified as refundable advances until expended for the purposes of the grants, since they are considered conditional promises to give.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets as net assets released from restrictions.

## CASA OF NEW JERSEY, INC.

### NOTES TO FINANCIAL STATEMENTS

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#### **B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### **Public Support and Revenue Recognition (Continued)**

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of 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 recorded at their fair values in the period received.

Special events revenue is recognized when the event occurs.

Program service revenue is recognized when services are performed.

##### **Government Grants Revenue Recognition**

The Organization considers all government grants and contracts to be exchange contracts and not contributions. The Organization recognizes revenue from these transactions as services are rendered and expenses incurred.

##### **Income Taxes**

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law. Income generated by activities that would be considered unrelated to the Organization's mission would be subject to tax, which, if incurred, would be recognized as a current expense. No such tax has been recognized for the years ended June 30, 2018 and 2017.

U.S. GAAP requires management to evaluate tax positions taken by the Organization and recognize a tax liability if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by taxing authorities. Management evaluated the Organization's tax positions and concluded that the Organization had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

The Organization did not record any interest or penalties on uncertain tax positions in the accompanying statements of financial position as of June 30, 2018 or 2017, or in the accompanying statements of activities for the years then ended. If the Organization were to incur any income tax liability in the future, interest on any income tax liability would be reported as interest expense and penalties on any income tax liability would be reported as income taxes.

##### **Functional Allocation of Expenses**

Certain operating expenses have been allocated to program services based on the reasonable benefit that the program derived from these expenses. There are various funding sources providing support towards the Organization's programs, and some of the expenses charged to the programs represent direct expenses related to program operations and objectives.

##### **Reclassification**

Certain amounts have been reclassified to conform to current year presentation.

##### **Subsequent Events**

Management has evaluated events for potential recognition and disclosure through December 18, 2018, the date the financial statements were available to be issued. No items were determined by management to require disclosure.

**B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Recent Accounting Pronouncements**

In June 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying Scope and the Accounting Guidance for Contributions Received and Contributions Made*, clarifies and improves the scope and the accounting guidance for contributions received and contributions made. The amendments assist entities in 1) evaluating whether transactions should be accounted for as contributions within the scope of Topic 958 or as exchange transactions subject to other guidance and 2) determining whether a contribution is conditional. ASU 2018-08 requires that the Organization apply this amendment for contributions received in which the Organization serves as the resource recipient for the year ending June 30, 2020, and for contributions made in which the Organization serves as the resource provider for the year ending June 30, 2021. The Organization is currently evaluating the effect that the new standard will have on its financial statements and related disclosures.

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which now requires net assets to be presented in two classes, instead of three. The two classes will be net assets with donor restrictions and net assets without donor restrictions. Additional disclosures will be required to present the amounts and purposes of board designations, composition of net assets with donor restrictions and how the restrictions affect the use of resources. ASU 2016-14 requires the entity to communicate qualitative and quantitative information on how it manages its liquid resources available to meet the cash flow needs for general expenditures within one year of the statement of financial position date, including disclosure of the availability of financial assets at the statement of financial position date, affected by 1) its nature, 2) external limits imposed by donors, grantors, laws and contracts with others, and 3) internal limits imposed by governing board decisions. ASU 2016-14 requires reporting of expenses by both their natural and functional classification. ASU 2016-14 also requires reporting of investment returns net of external and direct internal investment expenses and removes the requirement to disclose the netting of such investment expenses. ASU 2016-14 requires reporting of the underwater amounts of donor-restricted endowment funds in net assets with donor restrictions and enhances disclosures about underwater endowments. ASU 2016-14 will be effective for the Organization for the year ending June 30, 2019. The adoption of ASU 2016-14 is not expected to have a material effect on the Organization's financial statements or related disclosures.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, requiring an entity (lessee) that leases assets for a term exceeding a one-year period to recognize a right-of-use asset and corresponding lease liability on the statement of financial position. ASU 2016-02 will result in lessees recognizing right-of-use assets and lease liabilities for most leases currently accounted for as operating leases under the legacy lease accounting guidance. ASU 2016-02 introduces limited changes to the lessor accounting model, none of which rise to the same level of significance as the changes made to the lessee accounting model. ASU 2016-02 also requires entities to disclose in the footnotes to their financial statements information about the amount, timing and uncertainty for the payments they make for lease agreements. ASU 2016-02 will be effective for the Organization for the year ending June 30, 2021. The Organization is currently evaluating the effect that the new standard will have on its financial statements and related disclosures.

**CASA OF NEW JERSEY, INC.**

NOTES TO FINANCIAL STATEMENTS

**B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Recent Accounting Pronouncements (Continued)**

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In August 2015, the FASB issued ASU 2015-14, *Revenue from Contracts with Customers (Topic 606) – Deferral of the Effective Date*, which defers the effective date of ASU 2014-09 by one year. The updated standard will be effective for the Organization for the year ending June 30, 2020. The Organization has not yet selected a transition method and is currently evaluating the effect that the updated standard will have on the financial statements.

**C. LOANS RECEIVABLE**

Pursuant to a loan agreement, the Organization had a loan receivable from a local CASA program in the amount of \$496 as of June 30, 2017. The loan was repaid in full to the Organization during the year ended June 30, 2018.

**D. GRANTS RECEIVABLE**

Grants receivable consists of the following:

	June 30,	
	2018	2017
Federal grant funding	\$ 65,927	\$ 27,065
State grant funding	16,141	-
National CASA pass-through funding	4,200	-
Total	<u>\$ 86,268</u>	<u>\$ 27,065</u>

**E. PROPERTY AND EQUIPMENT**

Property and equipment consist of the following:

	June 30,	
	2018	2017
Office equipment and furniture	\$ 24,578	\$ 23,761
Less: accumulated depreciation	10,948	6,965
Total	<u>\$ 13,630</u>	<u>\$ 16,796</u>

Depreciation expense for the years ended June 30, 2018 and 2017, was \$3,983 and \$3,065, respectively.

## CASA OF NEW JERSEY, INC.

### NOTES TO FINANCIAL STATEMENTS

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#### F. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purpose:

	June 30,	
	2018	2017
Peer coordinator initiative	\$ 111,981	\$ 156,549
Medical curriculum	1,358	1,358
Medical advocacy training	-	990
Improvement of child's quality of life	5,319	3,487
Gifts in time	-	418
Capacity building	2,671	-
Recruitment	6,000	-
Marketing and public awareness	15,000	15,000
Total	<u>\$ 142,329</u>	<u>\$ 177,802</u>

Net assets released from restrictions were \$76,973 and \$60,060 for the years ended June 30, 2018 and 2017, respectively.

#### G. DONATED SERVICES AND FACILITIES

The Organization was the recipient of donated services and facilities which were recorded at their fair market value, as follows:

	Year Ended June 30,	
	2018	2017
Facilities for training meetings	\$ 12,600	\$ 6,200
Facilities for other meetings	1,600	1,480
Volunteer time and mileage	131,107	104,100
Total	<u>\$ 145,307</u>	<u>\$ 111,780</u>

#### H. AFFILIATED ORGANIZATIONS AND RELATED-PARTY TRANSACTIONS

The Organization is affiliated with the National Court Appointed Special Advocate Association ("National CASA"). National CASA provides leadership, training, technical assistance and grants to CASA programs across the country. They also stage annual conferences and promote CASA programs through public awareness efforts. They are a 501(c)(3) nonprofit organization that offers consultation and resources that help start CASA programs and provide vital assistance to established programs. For the years ended June 30, 2018 and 2017, the Organization received \$45,152 and \$26,867, respectively, of grant monies passed through from National CASA.

The Organization is also affiliated with the fourteen CASA corporations covering all twenty-one counties in the State of New Jersey, all of which have executed an affiliation agreement with the Organization. For the years ended June 30, 2018 and 2017, the Organization granted \$1,563,952 and \$1,562,484, respectively, to all twenty-one county CASA programs, as well as \$44,568 and \$29,750, respectively, of peer coordinator funds to CASA programs. They also provided professional and training services to the local CASA programs for the years ended June 30, 2018 and 2017, as follows:

## CASA OF NEW JERSEY, INC.

### NOTES TO FINANCIAL STATEMENTS

#### H. AFFILIATED ORGANIZATIONS AND RELATED-PARTY TRANSACTIONS (CONTINUED)

	Year Ended June 30,	
	2018	2017
Software customization and upgrades	\$ 250	\$ 6,857
Gifts to children	3,088	1,781
Group purchases	-	2,500
Medical initiative training	-	1,170
Meetings	262	378
Other	-	447
Total program expenses	<u>\$ 3,600</u>	<u>\$ 13,133</u>

#### I. LEASE

##### Operating Lease

On March 19, 2013, the Organization entered into a 13-year lease for office space located in New Brunswick, New Jersey. Rental expense, including utilities, under this lease was \$49,257 and \$46,555 for the years ended June 30, 2018 and 2017, respectively.

Future minimum lease payments under the operating lease are as follows:

Year Ending June 30,	
2019	\$ 42,336
2020	42,336
2021	42,967
2022	44,688
2023	44,688
Thereafter	<u>133,238</u>
Total	<u>\$ 350,253</u>

#### J. RETIREMENT PLAN

The Organization maintains a 401(k) Thrift Plan that covers all eligible employees. The Organization offers up to a 3% employee match. Total costs incurred by the Organization for the years ended June 30, 2018 and 2017, were \$8,101 and \$9,462, respectively.

#### K. CONCENTRATIONS OF RISK AND UNCERTAINTIES

The Organization maintains cash and cash equivalent balances which may, at times, exceed federally insured limits. The Organization historically has not experienced any credit related losses. Management believes that it is not subject to any significant credit risk on its cash and cash equivalent accounts.

For the years ended June 30, 2018 and 2017, the Organization received approximately 75% and 82%, respectively, of its support and revenues from the New Jersey Department of Children and Families ("NJDCF"). For the year ended June 30, 2018, approximately 17% of the Organization's grants receivable were from the NJDCF. There were no grants receivable from the NJDCF for the year ended June 30, 2017.

## **SUPPLEMENTARY INFORMATION**



**CASA OF NEW JERSEY, INC.**

## DIVISIONAL STATEMENT OF FINANCIAL POSITION

June 30, 2018

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	<u>New Jersey</u>	<u>Middlesex</u>	<u>Eliminations</u>	<u>Total</u>
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$ 410,450	\$ 124,937	\$ -	\$ 535,387
Accounts receivable	7,092	-	-	7,092
Grants receivable	<u>32,334</u>	<u>53,934</u>	<u>-</u>	<u>86,268</u>
Total current assets	449,876	178,871	-	628,747
Security deposit	11,290	7,526	-	18,816
Property and equipment	<u>13,630</u>	<u>-</u>	<u>-</u>	<u>13,630</u>
Total Assets	<u>\$ 474,796</u>	<u>\$ 186,397</u>	<u>\$ -</u>	<u>\$ 661,193</u>
<b>LIABILITIES AND NET ASSETS</b>				
Current liabilities				
Accounts payable and accrued expenses	<u>\$ 16,237</u>	<u>\$ 5,107</u>	<u>\$ -</u>	<u>\$ 21,344</u>
Total Liabilities	<u>16,237</u>	<u>5,107</u>	<u>-</u>	<u>21,344</u>
Net Assets				
Unrestricted	316,230	181,290	-	497,520
Temporarily restricted	<u>142,329</u>	<u>-</u>	<u>-</u>	<u>142,329</u>
Total Net Assets	<u>458,559</u>	<u>181,290</u>	<u>-</u>	<u>639,849</u>
Total Liabilities and Net Assets	<u>\$ 474,796</u>	<u>\$ 186,397</u>	<u>\$ -</u>	<u>\$ 661,193</u>

**CASA OF NEW JERSEY, INC.**

## DIVISIONAL STATEMENT OF FINANCIAL POSITION

June 30, 2017

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	<u>New Jersey</u>	<u>Middlesex</u>	<u>Eliminations</u>	<u>Total</u>
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$ 442,144	\$ 125,025	\$ -	\$ 567,169
Loans receivable	496	-	-	496
Grants receivable	<u>-</u>	<u>27,065</u>	<u>-</u>	<u>27,065</u>
Total current assets	442,640	152,090	-	594,730
Security deposit	11,290	7,526	-	18,816
Property and equipment	<u>16,756</u>	<u>40</u>	<u>-</u>	<u>16,796</u>
Total Assets	<u>\$ 470,686</u>	<u>\$ 159,656</u>	<u>\$ -</u>	<u>\$ 630,342</u>
<b>LIABILITIES AND NET ASSETS</b>				
Current liabilities				
Accounts payable and accrued expenses	\$ 12,996	\$ 5,845	\$ -	\$ 18,841
Refundable advances	<u>240</u>	<u>-</u>	<u>-</u>	<u>240</u>
Total Liabilities	<u>13,236</u>	<u>5,845</u>	<u>-</u>	<u>19,081</u>
Net Assets				
Unrestricted	279,648	153,811	-	433,459
Temporarily restricted	<u>177,802</u>	<u>-</u>	<u>-</u>	<u>177,802</u>
Total Net Assets	<u>457,450</u>	<u>153,811</u>	<u>-</u>	<u>611,261</u>
Total Liabilities and Net Assets	<u>\$ 470,686</u>	<u>\$ 159,656</u>	<u>\$ -</u>	<u>\$ 630,342</u>

**CASA OF NEW JERSEY, INC.**

## DIVISIONAL STATEMENT OF ACTIVITIES

Year Ended June 30, 2018

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	<u>New Jersey</u>	<u>Middlesex</u>	<u>Total</u>
Support and revenues			
Government grants	\$ 2,016,178	\$ 159,324	\$ 2,175,502
Foundation grants	67,167	52,500	119,667
Contributions	48,030	19,185	67,215
Donated services and facilities	1,600	143,707	145,307
Special events	68,276	55,245	123,521
Program services	19,933	2,500	22,433
Interest income	401	-	401
Other income	567	228	795
Total support and revenues	<u>2,222,152</u>	<u>432,689</u>	<u>2,654,841</u>
Expenses			
State grant to local CASAs	1,563,952	-	1,563,952
Salaries, payroll taxes and benefits	402,069	184,386	586,455
Donated services and facilities	1,600	143,707	145,307
Professional fees	41,674	4,842	46,516
Occupancy	24,629	24,628	49,257
Peer coordinator grants to local CASAs	44,568	-	44,568
Program expenses	3,600	-	3,600
Special events	26,135	18,210	44,345
Travel	10,999	4,124	15,123
Office supplies and expense	16,367	9,102	25,469
Insurance	9,131	1,591	10,722
Communications	15,017	2,844	17,861
Training expenses	34,797	3,341	38,138
Printing and graphics	8,038	1,646	9,684
Advertising and marketing	5,085	2,802	7,887
Depreciation	3,943	40	3,983
Dues and subscriptions	2,573	1,437	4,010
Meeting expense	488	-	488
Equipment	2,216	1,537	3,753
Postage and delivery	3,840	920	4,760
Miscellaneous	322	53	375
Total expenses	<u>2,221,043</u>	<u>405,210</u>	<u>2,626,253</u>
Change in net assets	1,109	27,479	28,588
Net assets, beginning of year	<u>457,450</u>	<u>153,811</u>	<u>611,261</u>
Net assets, end of year	<u>\$ 458,559</u>	<u>\$ 181,290</u>	<u>\$ 639,849</u>

**CASA OF NEW JERSEY, INC.**DIVISIONAL STATEMENT OF ACTIVITIES  
Year Ended June 30, 2017

	<u>New Jersey</u>	<u>Middlesex</u>	<u>Total</u>
Support and revenues			
Government grants	\$ 1,940,822	\$ 139,973	\$ 2,080,795
Foundation grants	63,092	19,136	82,228
Contributions	54,848	10,241	65,089
Donated services and facilities	683	111,097	111,780
Special events	15,524	78,107	93,631
Interest income	311	-	311
Loss on disposal of assets	(250)	-	(250)
Total support and revenues	<u>2,075,030</u>	<u>358,554</u>	<u>2,433,584</u>
Expenses			
State grants to local CASAs	1,562,484	-	1,562,484
Salaries, payroll taxes and benefits	314,638	151,453	466,091
Donated services and facilities	683	111,097	111,780
Professional fees	52,853	1,983	54,836
Occupancy	23,278	23,277	46,555
Peer coordinator grants to local CASAs	17,850	-	17,850
Middlesex peer coordinator project	11,900	-	11,900
Program expenses	13,133	-	13,133
Special events	1,300	17,653	18,953
Travel	8,826	5,292	14,118
Office supplies and expense	4,153	6,261	10,414
Insurance	6,928	1,100	8,028
Communications	4,739	2,385	7,124
Training expenses	2,695	2,795	5,490
Printing and graphics	3,415	1,246	4,661
Advertising and marketing	800	2,803	3,603
Depreciation	2,985	80	3,065
Dues and subscriptions	2,372	393	2,765
Meeting expense	2,623	-	2,623
Equipment	616	817	1,433
Postage and delivery	763	595	1,358
Miscellaneous	796	111	907
Total expenses	<u>2,039,830</u>	<u>329,341</u>	<u>2,369,171</u>
Change in net assets	35,200	29,213	64,413
Net assets, beginning of year	<u>422,250</u>	<u>124,598</u>	<u>546,848</u>
Net assets, end of year	<u>\$ 457,450</u>	<u>\$ 153,811</u>	<u>\$ 611,261</u>

**CASA OF NEW JERSEY, INC.**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2018**

Federal Grantor/Pass-through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Grant Period	Program Amount Received	Current Year Expenditures	Pass-through Grant Assistance
U.S. Department of Justice, Office of Victims of Crime Passed through the State of New Jersey, Office of the Attorney General, Department of Law & Public Safety, Division of Criminal Justice						
VOCA Grant	16.575	80-665-6781	01/01/17 - 12/31/17	\$ 56,607	\$ 29,541	\$ -
VOCA Grant	16.575	80-665-6781	01/01/18 - 12/31/19	<u>228,864</u>	<u>53,934</u>	<u>-</u>
Subtotal				<u>285,471</u>	<u>83,475</u>	<u>-</u>
US Department of Justice, Office of Juvenile Justice and Delinquency Protection, Passed through National CASA						
Youth Advocacy State Grant	16.756	NJ10924-17-1017-SG	10/01/17 - 09/30/18	50,000	33,600	-
Local Capacity Building	16.756	NJ11374-16-0117-LC	01/01/17 - 12/31/17	20,000	9,800	-
Professional Development	16.756	NJ10924-17-0118-PD	01/15/18 - 03/31/18	<u>1,752</u>	<u>1,752</u>	<u>-</u>
Subtotal				<u>71,752</u>	<u>45,152</u>	<u>-</u>
US Department of Health and Human Services Administration for Children, Youth & Families Passed through the State of New Jersey, Department of Consumer Affairs, Division of Housing and Community Resources						
Community Block Services Grant	93.569	80-641-7549	09/01/17 - 09/30/18	<u>20,000</u>	<u>20,000</u>	<u>-</u>
US Department of Health and Human Services Administration for Children, Youth & Families Passed through the State of New Jersey, Judiciary Administrative Office of the Courts, Family Practice Division						
State Court Improvement Program	93.586	36-070-2883	03/01/18 - 06/30/18	<u>28,438</u>	<u>28,438</u>	<u>-</u>
Total expenditures of federal awards				<u>\$ 405,661</u>	<u>\$ 177,065</u>	<u>\$ -</u>

**CASA OF NEW JERSEY, INC.**

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
 Year Ended June 30, 2018

<u>State Grantor Department and Program Title</u>	<u>State Account Number</u>	<u>Program Amount Received</u>	<u>Program Grant Period</u>	<u>Fiscal Year Grant Expenditures</u>	<u>Expenditures to Subrecipients</u>
State of New Jersey Department of Children and Families, Child Protection and Permanency, Public Awareness for Child Care Abuse Prevention					
CASA of New Jersey	100-016-1610-096	\$ 2,000,000	07/01/17 - 06/30/18	\$ 2,000,000	\$ 1,563,952
Total expenditures of state financial assistance		<u>\$ 2,000,000</u>		<u>\$ 2,000,000</u>	<u>\$ 1,563,952</u>

**CASA OF NEW JERSEY, INC.**

NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE  
FINANCIAL ASSISTANCE  
Year Ended June 30, 2018

*Note 1. Basis of Presentation*

The accompanying schedules of expenditures of federal awards and state financial assistance (the "Schedules") include the federal and state grant activity of the Organization under programs of the federal and state government for the year ended June 30, 2018. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (the "Uniform Guidance"), and State of New Jersey Circular Letter 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* (the "Circular"). Because the Schedules present only a selected portion of the operations of the Organization, they are not intended to and do not present the financial position, change in net assets or cash flows of the Organization.

*Note 2. Summary of Significant Accounting Policies*

Expenditures reported on the Schedules are reported on the accrual basis of accounting. Such expenditures are recognized following Uniform Guidance, the Circular, and the State of New Jersey, Department of Children and Families Cost Reimbursement Manual wherein certain types of expenditures are not allowable or are limited as to reimbursement.

*Note 3. Indirect Cost Rate*

The Organization has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

*Note 4. Subrecipients*

Of the expenditures of state financial assistance, the Organization provided state financial assistance to subrecipients under the following program:

\ Program Title	Grant Number	Amount
Public Awareness for Child Care Abuse Prevention	18 GPLC	
CASA of Atlantic and Cape May Counties		\$ 207,355
Bergen County CASA, Inc.		96,317
CASA of Camden County, Inc.		50,048
CASA of Cumberland, Gloucester and Salem		167,170
Essex County CASA, Inc.		194,614
Hudson County CASA, Inc.		90,668
CASA of Burlington and Mercer Counties, Inc.		144,760
CASA of Monmouth County, Inc.		83,074
CASA of Morris and Sussex Counties		146,383
CASA of Ocean County, Inc.		70,838
Passaic County CASA, Inc.		88,612
CASA of Somerset, Hunterdon and Warren, Inc.		117,770
CASA of Union County		106,343
Total		<u>\$ 1,563,952</u>

The legislative allocation is reconciled to the above amount as follows:

CASA of Middlesex	\$ 66,048
CASA of New Jersey	370,000
Total legislative allocation	<u>\$ 2,000,000</u>

**CASA OF NEW JERSEY, INC.**

NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE  
FINANCIAL ASSISTANCE  
Year Ended June 30, 2018

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*Note 5. Reconciliation of Government Grants to Schedule*

Grants and contracts revenue per audit	\$ 2,175,502
Recovery of funding under 2015 contract by NJDCF	<u>1,563</u>
Adjusted grant revenue per audit	<u>\$ 2,177,065</u>
Expenses per Schedules	
Federal Awards	\$ 177,065
State financial assistance	<u>2,000,000</u>
Adjusted expenses per schedules	<u>\$ 2,177,065</u>
Variance	<u>\$ -</u>



**CASA OF NEW JERSEY, INC.**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2018

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**Section I - Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with U.S. GAAP: **Unmodified**

Internal control over financial reporting:

- Material weaknesses identified? \_\_\_\_\_ Yes   X   No
- Significant deficiencies identified? \_\_\_\_\_ Yes   X   None Reported

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes   X   No

**State Financial Assistance**

Internal control over major program:

- Material weaknesses identified? \_\_\_\_\_ Yes   X   No
- Significant deficiencies identified? \_\_\_\_\_ Yes   X   None Reported

Type of auditors' report issued on compliance for major state program: **Unmodified**

Any audit findings disclosed that are required to be reported in accordance with the Circular? \_\_\_\_\_ Yes   X   No

Identification of major program:

State Account Number

100-016-1610-096

Name of State Program

Public Awareness for Child Care Abuse Prevention

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

Auditee qualified as low-risk auditee?   X   Yes \_\_\_\_\_ No

**Section II - Financial Statement Findings**

No matters were reported.

**Section III - State Financial Assistance Findings and Questioned Costs**

No matters were reported.

**Section IV - Prior Audit Findings**

No matters were reported.

**INDEPENDENT AUDITORS' 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 Trustees of  
CASA of New Jersey, Inc.

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of CASA of New Jersey, Inc. (the "Organization"), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 18, 2018.

**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 the purpose of 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.

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

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

**INDEPENDENT AUDITORS' 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  
(CONTINUED)**

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization'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 the Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Mercadieu, P.C.*  
*Certified Public Accountants*

December 18, 2018

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH STATE OF NEW JERSEY CIRCULAR LETTER 15-08-OMB**

To the Board of Trustees of  
CASA of New Jersey, Inc.

**Report on Compliance for the Major State Program**

We have audited CASA of New Jersey, Inc.'s (the "Organization") compliance with the types of compliance requirements described in the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on the Organization's major state program for the year ended June 30, 2018. The Organization's major state program is 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 state statutes, regulations, and the terms and conditions of its state award.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for the Organization's major state program based on our audit of the types of compliance 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 State of New Jersey Circular Letter 15-08-OMB (the "Circular"). Those standards and the Circular 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 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 the major state program. However, our audit does not provide a legal determination of the Organization's compliance.

**Opinion on the Major State Program**

In our opinion, the Organization 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 state program for the year ended June 30, 2018.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR STATE PROGRAM  
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH STATE  
OF NEW JERSEY CIRCULAR LETTER 15-08-OMB (CONTINUED)**

**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 requirements that could have a direct and material effect on its major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major state program and to test and report on internal control over compliance in accordance with the 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 on the effectiveness of 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 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 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 a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a 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 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 Circular. Accordingly, this report is not suitable for any other purpose.

*Mercadion, P.C.*  
*Certified Public Accountants*

December 18, 2018