

COURT APPOINTED SPECIAL ADVOCATES OF MERCER COUNTY, INC.

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2023)



COURT APPOINTED SPECIAL ADVOCATES OF MERCER COUNTY, INC.
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Court Appointed Special Advocates of Mercer County, Inc.
Ewing, New Jersey

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Court Appointed Special Advocates of Mercer County, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Court Appointed Special Advocates of Mercer County, Inc. as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Court Appointed Special Advocates of Mercer County, Inc., and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Court Appointed Special Advocates of

Mercer County, Inc.'s ability to continue as a going concern within one year after the date of 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Court Appointed Special Advocates of Mercer County, 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 Court Appointed Special Advocates of Mercer County, 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.

Board of Directors
Court Appointed Special Advocates of Mercer County, Inc.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2024, on our consideration of Court Appointed Special Advocates of Mercer County, 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 Court Appointed Special Advocates of Mercer County, 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 Court Appointed Special Advocates of Mercer County, Inc.'s internal control over financial reporting and compliance.

Report on Summarized Comparative Information

The prior year summarized comparative information has been derived from Court Appointed Special Advocates of Mercer County, Inc.'s 2023 financial statements and, in our report dated January 19, 2024, we expressed an unmodified opinion on the financial statements.

J. Miller & Associates, LLC

J. MILLER & ASSOCIATES, LLC

Philadelphia, Pennsylvania
January 16, 2025

COURT APPOINTED SPECIAL ADVOCATES OF MERCER COUNTY, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024
(WITH SUMMARIZED TOTALS AT JUNE 30, 2023)

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and cash equivalents	\$ 367,974	\$ 455,730
Grants and contributions receivable	271,417	114,676
Prepaid expenses	10,966	13,926
Investments	4,278	4,607
Property and equipment, net	<u>257,393</u>	<u>266,397</u>
TOTAL ASSETS	<u><u>\$ 912,028</u></u>	<u><u>\$ 855,336</u></u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 3,679	\$ 5,419
Accrued payroll	15,066	13,298
Loan payable	<u>18,635</u>	<u>46,432</u>
TOTAL LIABILITIES	<u>37,380</u>	<u>65,149</u>
NET ASSETS		
Without donor restrictions	857,048	765,187
With donor restrictions	<u>17,600</u>	<u>25,000</u>
TOTAL NET ASSETS	<u>874,648</u>	<u>790,187</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 912,028</u></u>	<u><u>\$ 855,336</u></u>

See accompanying Notes to Financial Statements.

COURT APPOINTED SPECIAL ADVOCATES OF MERCER COUNTY, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED TOTALS FOR THE YEAR ENDED JUNE 30, 2023)

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUE AND SUPPORT				
Government grants	\$ 817,551	\$ -	\$ 817,551	\$ 537,488
Foundation and corporate grants	66,000	-	66,000	161,000
Contributions	97,012	17,600	114,612	133,273
Special events, net of direct donor benefits of \$0 and \$9,443	-	-	-	7,828
Contributions of nonfinancial assets	264,443	-	264,443	279,539
Investment income	8,888	-	8,888	1,826
Net assets released from donor restrictions	25,000	(25,000)	-	-
Total Revenue and Support	<u>1,278,894</u>	<u>(7,400)</u>	<u>1,271,494</u>	<u>1,120,954</u>
EXPENSES				
Program	957,351	-	957,351	913,394
Management and general	144,182	-	144,182	120,873
Fundraising	85,500	-	85,500	86,758
Total Expenses	<u>1,187,033</u>	<u>-</u>	<u>1,187,033</u>	<u>1,121,025</u>
Change in Net Assets	91,861	(7,400)	84,461	(71)
Net Assets, Beginning of Year	<u>765,187</u>	<u>25,000</u>	<u>790,187</u>	<u>790,258</u>
Net Assets, End of Year	<u><u>\$ 857,048</u></u>	<u><u>\$ 17,600</u></u>	<u><u>\$ 874,648</u></u>	<u><u>\$ 790,187</u></u>

See accompanying Notes to Financial Statements.

COURT APPOINTED SPECIAL ADVOCATES OF MERCER COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED TOTALS FOR THE YEAR ENDED JUNE 30, 2023)

	2024				2023
	Program Services	Management and General	Fundraising	Total	Total
Salaries	\$ 541,381	\$ 36,446	\$ 69,177	\$ 647,004	\$ 593,862
Payroll taxes	48,733	3,281	6,227	58,241	49,784
Fringe benefits	28,516	2,673	556	31,745	29,833
Retirement expense	7,812	834	2,075	10,721	11,670
Total salaries and related expenses	626,442	43,234	78,035	747,711	685,149
Advertising	500	413	85	998	1,853
Administrative fees	-	2,382	-	2,382	2,364
Depreciation	-	9,004	-	9,004	9,804
Dues and subscriptions	-	9,061	-	9,061	8,095
Fundraising expenses	-	-	3,345	3,345	2,319
Insurance	8,511	4,113	-	12,624	11,571
Interest expense	1,363	97	162	1,622	2,937
Occupancy	22,517	1,609	2,681	26,807	25,888
Office supplies and equipment	4,092	1,567	-	5,659	5,070
Printing	1,351	316	-	1,667	464
Professional fees	30,535	70,211	-	100,746	73,993
Telephone	10,016	715	1,192	11,923	11,450
Travel expense	5,882	-	-	5,882	5,928
Training	1,210	-	-	1,210	1,754
Volunteer advocate services	239,760	-	-	239,760	271,219
Other expenses	5,172	1,460	-	6,632	1,167
Total	<u>\$ 957,351</u>	<u>\$ 144,182</u>	<u>\$ 85,500</u>	<u>\$ 1,187,033</u>	<u>\$ 1,121,025</u>

See accompanying Notes to Financial Statements.

COURT APPOINTED SPECIAL ADVOCATES OF MERCER COUNTY, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED TOTALS FOR THE YEAR ENDED JUNE 30, 2023)

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 84,461	\$ (71)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	9,004	9,804
Unrealized (gain)/loss	329	(948)
Decrease (Increase) in Assets:		
Grants and contributions receivable	(156,741)	(15,195)
Prepaid expenses	2,960	(1,202)
Increase (Decrease) in liabilities:		
Accounts payable	(1,740)	(2,800)
Accrued payroll	1,768	(24,358)
Net cash (used in) provided by operating activities	<u>(59,959)</u>	<u>(34,770)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on loan payable	<u>(27,797)</u>	<u>(26,482)</u>
Net cash used in investing activities	<u>(27,797)</u>	<u>(26,482)</u>
NET INCREASE/(DECREASE) IN CASH	(87,756)	(61,252)
Cash and cash equivalents - beginning of year	<u>455,730</u>	<u>516,982</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 367,974</u></u>	<u><u>\$ 455,730</u></u>
SUPPLEMENTAL DISCLOSURE:		
Interest paid	<u><u>\$ 1,622</u></u>	<u><u>\$ 2,937</u></u>

See accompanying Notes to Financial Statements.

COURT APPOINTED SPECIAL ADVOCATES OF MERCER COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 1 ORGANIZATION

Court Appointed Special Advocates of Mercer County, Inc. ("CASA") is a nonprofit corporation which trains community volunteers to advocate in court for children who have been removed from their homes due to abuse and/or neglect. The volunteers ensure that needed services and assistance are provided, while moving the child toward a safe and permanent home. The program recruits, screens, trains, and supervises the volunteers.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

CASA prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) which involve the application of the accrual basis of accounting; consequently, revenues and gains are recognized when earned and expenses and losses are recognized when incurred.

Summarized Comparative Information

The summarized comparative information presents amounts in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with CASA's financial statements for the year ended June 30, 2023 from which the summarized information was derived.

Cash and Cash Equivalents

CASA considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Grants and Contributions Receivable

Grant and contributions receivable are stated at the amount management expects to collect from outstanding balances. It is CASA's policy to charge off uncollectible grants and contributions receivable when management determines that the grants and contributions receivable will not be collectible. As of June 30, 2024, management has determined that no allowance for doubtful accounts is necessary.

Property and Equipment

Property and equipment acquired in excess of \$1,000 are recorded at cost, or if received as a gift, at fair value on the date of donation. Depreciation is computed on the straight-line basis over the estimated useful lives as follows:

<u>Description</u>	<u>Estimated Life</u>
Buildings and improvements	39 years
Furniture and equipment	5-7 years

COURT APPOINTED SPECIAL ADVOCATES OF MERCER COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Investments

Investments in equity securities with readily determinable fair values, and all investments in debt securities are reported at fair value, as determined by quoted market prices, with gains and losses included in net investment income, along with interest and dividends net of fees in the statement of activities. Interest and dividends are recorded as earned.

Net Assets

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

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions and may be used for any purpose in performing the primary objectives of CASA. These net assets may be used at the discretion of CASA's management and the board of directors.

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

Revenue and Revenue Recognition

CASA's programs are funded primarily under government grants on a cost reimbursement basis, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. CASA also receives other grants and contracts from nongovernmental agencies. Revenue is recognized when expenditures are incurred and/or service is provided in compliance with specific contract or grant provisions.

Contributions are recognized when cash, securities or other assets, or an unconditional promise to give is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Conditional promises to give at June 30, 2024 totaled \$354,365.

Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. Special events revenue equal to the fair value of direct benefits to donors is recognized when the special event takes place. The contribution element of special event revenue is recognized immediately, unless there is a right of return if the special event does not take place.

COURT APPOINTED SPECIAL ADVOCATES OF MERCER COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Functional Allocation of Expenses

The costs of providing program services and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program and supportive services benefited. Payroll, payroll taxes and fringe benefits are allocated on the basis of time and effort. Other allocable expenses are charged to program and supporting functions based on the benefit to those areas. Directly identifiable are charged to program and supporting services based on their function.

Advertising Costs

Advertising costs are expensed as incurred. These costs totaled \$998 for the year ended June 30, 2024.

Use of Estimates

The preparation of financial statements in conformity with GAAP, requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

CASA is a nonprofit organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. Accordingly, there is no provision for income taxes in the accompanying financial statements. CASA follows the accounting guidance for uncertain tax positions. CASA believes that it has appropriate support for any tax position taken and as such, does not have any uncertain tax positions that are material to the financial statements.

NOTE 3 **CONCENTRATIONS OF RISK**

A significant portion, approximately 81% of CASA's annual funding is from New Jersey government sources. At June 30, 2024, \$259,704 is receivable from New Jersey government sources.

CASA maintains its cash balances in multiple financial institutions. Accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000 per depositor. At various times during the year the bank balances may exceed the FDIC limit. As of June 30, 2024, CASA had \$1,248 of uninsured cash balances.

COURT APPOINTED SPECIAL ADVOCATES OF MERCER COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 4 LIQUIDITY AND AVAILABILITY

The following represents CASA's financial assets at June 30, 2024:

Financial assets, at year-end	
Cash and cash equivalents	\$ 367,974
Grants and contributions receivable	<u>271,417</u>
Financial assets available to meet cash	
needs for general expenditure within one year	<u>\$ 639,391</u>

CASA regularly monitors liquidity required to meet its operating needs and other contractual commitments, while striving to maximize the investment of its available funds. CASA typically maintains its financial assets in cash with a goal of having funds available when needed.

NOTE 5 GRANTS AND CONTRIBUTIONS RECEIVABLES

Grants and contributions receivables at June 30, 2024 consist of the following:

Government grant contracts receivable	\$ 259,704
Other receivables	<u>11,713</u>
	<u>\$ 271,417</u>

All amounts were due within one year of the statement of financial position date. No allowance for doubtful accounts was deemed warranted.

NOTE 6 FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Accounting standards set a framework for measuring fair value using a three-tier hierarchy based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or inputs (interest rates, currency exchange rates, commodity rates and yield curves) that are observable or corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Inputs that are not observable in the market and reflect management's judgment about the assumptions that market participants would use in pricing the asset or liability.

COURT APPOINTED SPECIAL ADVOCATES OF MERCER COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 6 FAIR VALUE MEASUREMENTS (CONTINUED)

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Assets:				
Equity security	\$ 4,278	\$ 4,278	\$ -	\$ -
Total assets measured at fair value	<u>\$ 4,278</u>	<u>\$ 4,278</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 7 PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30, 2024:

Land	\$ 34,511
Building and improvements	351,188
Furniture and equipment	<u>12,799</u>
	398,498
Less: accumulated depreciation	<u>(141,105)</u>
Total Property and Equipment, net	<u>\$ 257,393</u>

NOTE 8 LOAN PAYABLE

CASA has a ten year note payable that is due in monthly installments of \$2,452. Interest is calculated at the rate of 4.75%. The note matures March 1, 2025 and is secured by the land, building and improvements. The balance of the note June 30, 2024 was \$18,635.

Minimum principal payments due are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	<u>\$ 18,635</u>
	<u>\$ 18,635</u>

COURT APPOINTED SPECIAL ADVOCATES OF MERCER COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 9 NET ASSETS WITH DONOR RESTRICTIONS

Net assets released from donor restrictions totaled \$25,000 for the year ended June 30, 2024 which were subject to purpose restrictions.

NOTE 10 CONTRIBUTIONS OF NONFINANCIAL ASSETS

For the year ended June 30, 2024, contributed nonfinancial assets recognized within the statement of activities included:

Volunteer advocate services	\$ 214,648
Consultants	46,462
Accounting services	3,333
	<u>\$ 264,443</u>

Volunteer advocate services

Donated services consisted of the use of trained volunteers that are important to the mission of CASA. The volunteers serve as advocates for the children. The volunteers undergo rigorous training of 32 hours before they can serve as an advocate. Volunteers work an estimated 10-12 hours each month. During the year ended June 30, 2024, volunteer hours totaled 6,046. This time had an estimated value of \$214,648 based on an average state wage for volunteers as determined by the Independent Sector.

CASA of New Jersey provided the following contributions of nonfinancial assets for use in the operations of CASA as follows:

Consultants

Consulting services were utilized for shared overhead of CASA New Jersey staff in support of all local programs in the amount of \$46,462.

Accounting services

An outside accounting firm hired by CASA of New Jersey performs some monthly accounting functions. The value is based on the actual cost of the services.

NOTE 11 RETIREMENT PLAN

CASA maintains a 401(k) Profit Sharing Plan which essentially covers all full-time employees. An employee becomes eligible to make elective salary deferrals under the Plan after the completion of one month of service and attainment of the age of 21. Employees can defer up to the maximum amount of compensation under IRS guidelines. An employee becomes eligible for matching contributions after completing six months of service and 1,000 hours of work in the Plan year. Contributions to the Plan are at the rate of 3% of an employee's compensation. Total employer retirement contributions for the year ended June 30, 2024 were \$10,721.

COURT APPOINTED SPECIAL ADVOCATES OF MERCER COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 12 SUBSEQUENT EVENTS

CASA has evaluated subsequent events through January 16, 2025 the date which the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION



**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 Auditor's Report

Board of Directors
Court Appointed Special Advocates of Mercer County, Inc.
Ewing, New Jersey

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 consolidated statement of financial position of Court Appointed Special Advocates of Mercer County, Inc. ("CASA") as of June 30, 2024 and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated January 16, 2025.

Internal Control over Financial Reporting

In planning and performing our audit, we considered CASA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CASA's internal control. Accordingly, we do not express an opinion on the effectiveness of CASA'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's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed 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 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.

J. Miller & Associates, LLC

J. MILLER & ASSOCIATES, LLC

Philadelphia, Pennsylvania
January 16, 2025