

Hudson County Court Appointed Special Advocates, Inc.

***Report on Audits of Financial Statements
For the Years Ended June 30, 2021 and 2020***



McIntee Fusaro Del Corral, LLC
Certified Public Accountants & Forensic Consultants

Hudson County Court Appointed Special Advocates, Inc.

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Independent Auditors' Report

To the Board of Trustees of
Hudson County Court Appointed Special Advocates, Inc.
Jersey City, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of Hudson County Court Appointed Special Advocates, Inc. ("Hudson County CASA, Inc.") (a nonprofit organization) which comprise the statements of financial position as of June 30, 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's 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 audits 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 Hudson County CASA, Inc. as of June 30, 2021, 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 Matters

Report on Summarized Comparative Information

We have previously audited the Organization's June 30, 2020 financial statements and our report dated October 19, 2020 expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis and is not a required part of the basic 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 statement or to the financial statement 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 November 15, 2021 on our consideration of Hudson County CASA, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Hudson County CASA, Inc.'s internal control over financial reporting and compliance.



McIntee Fusaro Del Corral, LLC

Fairfield, New Jersey
November 15, 2021



Hudson County Court Appointed Special Advocates, Inc.
Statements of Financial Position
June 30, 2021 and 2020

	2021	2020
ASSETS		
Assets:		
Cash	\$ 797,805	\$ 776,023
Grants Receivable	54,773	63,334
Pledges Receivable	9,359	18,748
Prepaid Expenses	2,100	17,139
Property and Equipment - Net (Note C)	<u>31,477</u>	<u>39,765</u>
 Total Assets	 <u>\$ 895,514</u>	 <u>\$ 915,009</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts Payable	\$ 7,840	\$ 9,721
Deferred Income	<u>-</u>	<u>49,385</u>
Total Liabilities	<u>7,840</u>	<u>59,106</u>
Net Assets:		
With Donor Restrictions (Note K)	57,742	11,919
Without Donor Restrictions	<u>829,932</u>	<u>843,984</u>
Total Net Assets	<u>887,674</u>	<u>855,903</u>
 Total Liabilities and Net Assets	 <u>\$ 895,514</u>	 <u>\$ 915,009</u>

See Independent Auditors' Report and Notes to Financial Statements

Hudson County Court Appointed Special Advocates, Inc.
Statements of Activities and Changes in Net Assets
For the Years Ended June 30, 2021 and 2020

	2021			
	Without Donor Restrictions	With Donor Restrictions	Total	2020
Revenues:				
Federal and State Grants	\$ -	\$ 386,353	\$ 386,353	\$ 358,493
Contributions	329,016	95,484	424,500	333,855
Donated Services and Supplies (In-Kind) (Note E)	309,222	-	309,222	319,967
Interest Income	302	-	302	517
Net Assets Released from Restrictions (Note K)	<u>436,014</u>	<u>(436,014)</u>	<u>-</u>	<u>-</u>
 Total Revenues	 <u>1,074,554</u>	 <u>45,823</u>	 <u>1,120,377</u>	 <u>1,012,832</u>
 Expenses:				
Program Services	978,666	-	978,666	949,791
Management and General	29,941	-	29,941	29,325
Fund Raising	<u>79,999</u>	<u>-</u>	<u>79,999</u>	<u>76,546</u>
 Total Expenses	 <u>1,088,606</u>	 <u>-</u>	 <u>1,088,606</u>	 <u>1,055,662</u>
 Change in Net Assets	 (14,052)	 45,823	 31,771	 (42,830)
 Net Assets, Beginning of Year	 <u>843,984</u>	 <u>11,919</u>	 <u>855,903</u>	 <u>898,733</u>
 Net Assets, End of Year	 <u>\$ 829,932</u>	 <u>\$ 57,742</u>	 <u>\$ 887,674</u>	 <u>\$ 855,903</u>

See Independent Auditors' Report and Notes to Financial Statements

Hudson County Court Appointed Special Advocates, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2021

	Program Services	Management and General	Fundraising	Total
Donated Services and Supplies (In-Kind) (Note E)	\$ 309,222	\$ -	\$ -	\$ 309,222
Officer's Compensation	60,255	13,905	18,540	92,700
Other Salaries and Wages	382,807	10,264	34,217	427,288
Employee Benefits	5,741	272	408	6,421
Payroll Taxes	44,732	2,440	5,326	52,498
Payroll Processing Fees	2,145	100	249	2,494
Program Supplies and Expenses	68,565	-	-	68,565
Technology	19,543	-	-	19,543
Fundraising Expenses	-	-	13,859	13,859
Office Expenses	1,453	68	169	1,690
Professional Fees	6,880	320	800	8,000
Telephone	8,016	163	407	8,586
Postage and Printing	1,726	80	201	2,007
Occupancy	31,476	1,464	3,660	36,600
Marketing	7,315	-	-	7,315
Travel	3,398	-	-	3,398
Depreciation	8,782	408	1,021	10,211
Insurance	7,080	329	823	8,232
Training	6,784	-	-	6,784
Dues and Subscriptions	605	28	70	703
Miscellaneous	2,141	100	249	2,490
	<u>2,141</u>	<u>100</u>	<u>249</u>	<u>2,490</u>
Total Expenses	<u>\$ 978,666</u>	<u>\$ 29,941</u>	<u>\$ 79,999</u>	<u>\$ 1,088,606</u>

See Independent Auditors' Report and Notes to Financial Statements

Hudson County Court Appointed Special Advocates, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2020

	Program Services	Management and General	Fundraising	Total
Donated Services and Supplies (In-Kind) (Note E)	\$ 319,967	\$ -	\$ -	\$ 319,967
Officer's Compensation	58,500	13,500	18,000	90,000
Other Salaries and Wages	343,043	10,500	27,990	381,533
Employee Benefits	4,937	264	472	5,673
Payroll Taxes	38,350	2,424	4,530	45,304
Payroll Processing Fees	2,031	82	235	2,348
Program Supplies and Expenses	85,387	-	-	85,387
Technology	15,013	-	-	15,013
Fundraising Expenses	-	-	18,014	18,014
Office Expenses	2,556	103	296	2,955
Professional Fees	6,920	280	800	8,000
Telephone	7,012	124	355	7,491
Postage and Printing	1,692	68	196	1,956
Occupancy	30,454	1,232	3,522	35,208
Marketing	8,764	-	-	8,764
Travel	3,252	-	-	3,252
Depreciation	6,173	250	713	7,136
Insurance	6,790	275	785	7,850
Training	3,432	-	-	3,432
Dues and Subscriptions	520	21	60	601
Miscellaneous	4,998	202	578	5,778
	<u>4,998</u>	<u>202</u>	<u>578</u>	<u>5,778</u>
Total Expenses	<u>\$ 949,791</u>	<u>\$ 29,325</u>	<u>\$ 76,546</u>	<u>\$ 1,055,662</u>

See Independent Auditors' Report and Notes to Financial Statements

Hudson County Court Appointed Advocates, Inc.
Statements of Cash Flows
For the Years Ended June 30, 2021 and 2020

	2021	2020
Change in Net Assets	\$ 31,771	\$ (42,830)
Adjustments to Reconcile Change in Net Assets to Net Cash Flows From Operating Activities		
Depreciation	10,211	7,136
Changes in Operating Assets and Liabilities:		
Grants Receivable	8,561	(12,824)
Pledges Receivable	9,389	(5,324)
Prepaid Expenses	15,039	(15,084)
Accounts Payable	(1,881)	(2,829)
Deferred Income	<u>(49,385)</u>	<u>49,385</u>
Net Cash Flows From Operating Activities	<u>23,705</u>	<u>(22,370)</u>
Cash Flows From Investing Activities		
Purchase of Fixed Assets	<u>(1,923)</u>	<u>(30,141)</u>
Net Cash Flows From Investing Activities	<u>(1,923)</u>	<u>(30,141)</u>
Net Change in Cash	21,782	(52,511)
Cash, Beginning of Year	<u>776,023</u>	<u>828,534</u>
Cash, End of Year	<u>\$ 797,805</u>	<u>\$ 776,023</u>
Supplemental Disclosures of Cash Flow Information		
Cash Paid During the Year for:		
Income Taxes Paid	<u>\$ -</u>	<u>\$ -</u>
Interest Expense	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditors' Report and Notes to Financial Statements

Hudson County Court Appointed Special Advocates, Inc.
Notes to Financial Statements
June 30, 2021 and 2020

A. Nature of Activities and Significant Accounting Policies

1. Nature of Activities

Hudson County Court Appointed Special Advocates, Inc. (the Organization) is a non-profit organization under the jurisdiction of the Superior Court of New Jersey, Chancery Division, Family Part, Hudson County. The Organization recruits, trains, and supervises volunteers who are appointed by a judge in Family Court to advocate for a child or family who are in out-of-home placement.

2. Newly Adopted Accounting Pronouncements

On July 1, 2020, the Organization adopted Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers* (“ASC 606”), an accounting pronouncement issued by the Financial Accounting Standards Board (“FASB”), as well as subsequently issued clarifying ASUs, which clarifies guidance on revenue recognition. This guidance includes the required steps to achieve the core principle that a company should recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The Organization adopted this pronouncement on a modified retrospective basis for all ongoing customer contracts. The results of operations for the reported period after July 1, 2020 is presented under this amended guidance, while prior period amounts are not adjusted and continue to be reported in accordance with historical accounting guidance. The adoption of this pronouncement had no impact on net assets and results of operations but resulted in required additional disclosures. ASC 606 does not apply to all revenue recognized by the Organization. See footnotes for further details.

3. Revenue Recognition

The Organization derives its revenue and support primarily from federal and state grants and contributions from the general public. Under ASC 606, revenue is recognized when performance obligations to a customer are satisfied, and revenue is earned. Secondary revenue and support are received from fundraising. The Organization applied the guidance under ASC Topic 958 (“ASC 958”) – *Non-Profit Entities* to recognize support received that is not subject to revenue recognition under ASC 606. A portion of the Organization’s revenue is derived from federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when expenditures in compliance with specific contract or grant provisions have been incurred. The Organization was awarded cost reimbursable grants of \$27,590 and \$233,224 that have not been recognized at June 30, 2021 and 2020 because qualifying expenditures have not yet been incurred.

Fundraising Revenue (Special Events) – Fundraising revenue is comprised of payments received from third parties (individuals and corporations) to support and/or attend fundraising events. Fundraising revenue includes an exchange transaction component for the value of the goods or services received, which follows revenue recognition guidance under ASC 606. The amount paid by individuals and corporations that is above the value of goods or services received is considered a contribution. Revenue is recognized over time at the time the fundraising event occurs. Special event revenue of \$-0- and \$30,160 is net of direct benefit to donor costs consisting of meals and entertainment for the years ended June 30, 2021 and 2020, respectively

Contribution Support – Support that is received from a donor follows guidance under ASC 958 and is recognized as income at the time it is received, unless the amount received is conditional. Unconditional contributions are recognized as revenue at the time received as an increase in net assets without donor restriction or as an increase in net assets with donor restriction. When a restriction expires, net assets with a donor restriction are reclassified to net assets without a donor restriction and reported in the statement of activities as net assets released from restrictions. If the restriction expires in the reporting period in which the support is recognized, then the contribution is recorded as an increase in net assets without donor restriction. When a contribution is conditional, the amount received is deferred and not recognized as revenue until the conditions are satisfied.

4. 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 that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net Assets With Donor Restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported under the caption net assets with donor restrictions. When a restriction is met or expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

5. Comparative Financial Information

The accompanying 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 accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with our audited financial statements for the year ended June 30, 2020 from which the summarized information was derived

6. Grants/Pledges Receivable

Grants/pledges receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

7. Donated Services and Supplies – In-Kind

The Organization has a system to account for and value donated services and items. Donated services and items, such as children’s supplies, toys and volunteer hours amounting to \$309,222 and \$319,967 have been recognized on the accompanying statement of activities and changes in net assets, and on the statement of functional expenses, for the years ended June 30, 2021 and 2020, respectively. In addition, the Organization uses various volunteers to carry out organizational activities such as distributing food and clothing to the needy and homeless; the value of these services has not been reflected on the accompanying financial statements.

8. Estimates and Uncertainties

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

9. Concentration of Credit Risk

The Organization maintains its cash in financial institutions which are insured by Federal Deposit Insurance Corporation (FDIC) up to \$250,000 each. At times, such balances may be in excess of the FDIC insurance limit.

10. Functional Allocation of Expenses

The costs of providing the various programs and other activities of the Organization have been allocated among the programs and supporting services benefited based on methods considered by management to be reasonable. All salaries and benefits expense allocations are driven by a time and effort allocation method. Management considers this to be a reasonable basis due to the fact that salaries and benefits are the largest expense. Expenses directly attributable to specific functional areas of the Organization are reported as expenses of those functional areas while indirect costs that benefit multiple functional areas have been allocated among the various functional areas based on the number of employees involved or the amount of time and effort spent.

11. Income Taxes

The Organization is organized as a New Jersey nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under IRS Section 501(a) as an organization described in IRC Section 501(c)(3), qualifies for the charitable contribution deduction, and has been determined not to be a private foundation. The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organization is subject to income tax on net income that is derived from business activities that are unrelated to the Organization's exempt purposes. Management has determined that the Organization is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS. Management also believes that the Organization is no longer subject to federal or state income tax examinations for the year prior to 2018.

12. Property and Equipment

The Organization records equipment additions at cost, or if donated, at fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 5 to 10 years. When assets are sold or otherwise disposed of, the cost and related depreciation is removed from the accounts, and any resulting gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently

Estimated useful lives are as follows:

Furniture and Fixtures	7 years
Leasehold Improvements	10 years
Office Equipment	5 years

The Organization reviews the carrying values of equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flow expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of assets impairment during the year ended June 30, 2021.

13. Recent Accounting Guidance

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842), which requires lessees to recognize leases on the balance sheet and disclose key information about leasing arrangements. The new standard established the right-of-use (ROU) model that requires a lessee to recognize a ROU asset and lease liability on the statement of financial position for most leases with a term longer than 12 months. Leases will be classified as finance or operating, with classification affecting the pattern and classification of the expense recognition in the statement of activities. The effective date for this standard has been delayed to annual reporting periods beginning after December 15, 2021.

14. Subsequent Events

The Organization has evaluated subsequent events through November 15, 2021, the date that the financial statements are available for issuance. Based on this evaluation, the Organization has determined that no subsequent events have occurred that require adjustment to or disclosure in the financial statements.

B. Availability and Liquidity

The following represents the Organization's financial assets at June 30, 2021 and 2020:

	2021	2020
Financial Assets at Year End:		
Cash	\$ 797,805	\$ 776,023
Grants Receivable	54,773	63,334
Pledges Receivable	<u>9,359</u>	<u>18,748</u>
Total Financial Assets	861,937	858,105
Less Amounts Not Available to be Used Within One Year:		
Net Assets With Donor Restrictions	<u>57,742</u>	<u>11,919</u>
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	<u>\$ 804,195</u>	<u>\$ 846,186</u>

As part of the Organization's liquidity management plan, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization's goal is to maintain financial assets to meet 18 months of operating expenses (approximately \$900,000).

C. Property and Equipment

A summary of property and equipment as of June 30, 2021 and 2020 follows:

	2021	2020
Furniture and Fixtures	\$ 29,825	\$ 29,825
Leasehold Improvements	38,152	38,152
Office Equipment	<u>38,036</u>	<u>36,113</u>
	106,013	104,090
Less: Accumulated Depreciation	<u>(74,536)</u>	<u>(64,325)</u>
	<u>\$ 31,477</u>	<u>\$ 39,765</u>

Depreciation expense for the years ended June 30, 2021 and 2020 was \$10,211 and \$7,136.

D. Major Contributors

The Organization receives most of its support from government sponsored grants, workplace campaigns, corporate donations and special events. The continued operations of the Organization are contingent upon receiving support from these sources.

E. Donated Services and Supplies (In-Kind)

The success of the Organization in conducting its mission is highly dependent on recruiting and retaining committed volunteers. A substantial number of volunteers have donated approximately 7,700 hours to the Organization's program services. Donated services and supplies provided to the Organization for the years ended June 30, 2021 and 2020 consisted of the following:

	2021	2020
Volunteer Services	\$ 213,431	\$ 226,247
Professional Services	22,010	23,720
Program Supplies and Expenses	13,082	30,739
Toy Drive	45,943	21,358
COVID – 19 Supplies	9,919	15,588
Book Drive	4,837	2,315
	<u>\$ 309,222</u>	<u>\$ 319,967</u>

F. Affiliation

The Organization is affiliated with the Court Appointed Special Advocates of New Jersey, Inc. (NJ CASA).

G. Operating Lease

The Organization has a lease with St. Paul's Center for Caring, Inc. for office space located at 442 Hoboken Avenue, Jersey City, NJ. The lease is for five years ending on December 31, 2025, with an option to renew for an additional five years. Future minimum rent payments are as follows for the years ended June 30:

2022	\$ 21,300
2023	21,900
2024	22,500
2025	23,100
2026	11,700
	<u>\$ 100,500</u>

In addition, the Organization rents parking, meeting, and storage space on a month-to-month basis. Rent expense for office, parking and storage for the years ended June 30, 2021 and 2020 was \$31,620 and \$30,975, respectively.

H. Special Event

Due to COVID-19, the Organization was not able to hold its annual wine tasting event, which was to take place in March 2020. The event was subsequently cancelled in the June 2021 year. As of June 30, 2020, \$14,439 of expenses relating to the postponed wine tasting were included in Prepaid Expenses, and \$49,385 of sponsorships and ticket sales were included in Deferred Revenue on the Statement of Financial Position. The expenses were reported as fundraising expenses and the revenue was recognized as contributions as of June 30, 2021.

I. Tax Filing Compliance

The Organization was in compliance with applicable Federal and State regulations as of June 30, 2021 relative to the remitting of employee withholding taxes and filing of payroll tax returns and all other annual regulatory information filings.

J. Retirement Plan

The Organization has a Savings Incentive Match Plan for Employees (SIMPLE), which allows employees to contribute to traditional IRA. All employees are eligible to participate and the Organization makes a matching contribution equal to the employee's contribution up to a limit of 3% of employee compensation. Pension expense, which is included in employee benefits on the Statements of Functional Expenses, amounted to \$6,421 and \$5,673 for the years ended June 30, 2021 and 2020 respectively.

K. Net Assets With Donor Restrictions

Net assets with donor restrictions are assets whose use is limited by either donor imposed time restrictions or purpose restrictions. Time restrictions require resources to be used in a certain period or after a specified date. Purpose restrictions require resources to be used for a specific purpose.

Net assets with donor restrictions consist of the following:

Summer Camp	\$ 37,524
Backpack Drive	15,000
Project Helping Hands	3,436
Project Birthday Cake	1,091
COVID-19	<u>691</u>
	<u>\$ 57,742</u>

Net assets with donor restrictions were released from donor restrictions by incurring expenses satisfying the restricted purpose as follows:

CASA NJ Legislative	\$ 117,219
CDBG Hudson County	13,500
CDBG Jersey City	50,000
VOCA	205,634
COVID-19	30,896
Summer Camp	9,282
Project Birthday Cake	2,112
Project Helping Hands	7,371
	<u>\$ 436,014</u>

L. Risks and Uncertainties

The COVID-19 pandemic that developed in 2020 is still ongoing. Depending on the duration of the COVID-19 pandemic and the uncertain effect on economic activity, the Organization might experience negative results and liquidity restraints. The Organization has considered the consequences of the COVID-19 pandemic and other events and conditions and has determined that the COVID-19 pandemic does not create a material uncertainty that casts significant doubt upon the Organization's ability to continue as a going concern.

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
Hudson County Court Appointed Special Advocates, 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 Hudson County CASA, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statement, and have issued our report thereon dated November 15, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Hudson County CASA, 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 purposes of expressing an opinion on the effectiveness of Hudson County CASA, Inc.'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 correct and detect 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 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 significant deficiencies, or material weaknesses. 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 Hudson County CASA, Inc.'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 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 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.



McIntee Fusaro Del Corral, LLC

Fairfield, New Jersey
November 15, 2021



Hudson County Court Appointed Special Advocates, Inc.
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Contract Period	Grantor Type of Contract	Contract Number	CFDA Number	Federal Grantor	Pass Thru	Amount (Maximum)	Contract Expenditures
9/1/19 - 8/31/21	New Jersey Department of Law and Public Safety Volunteers for Victimized Children	VAG-82-18	16.575	U.S. Dept of Justice	New Jersey Dept. of Law and Public Safety	\$ 399,810	\$ 205,634
7/1/20 - 6/30/21	Hudson County Community Development Block Grant	Not Provided	14.218	HUD	Hudson County, NJ	\$ 13,500	\$ 13,500
4/1/20 - 3/31/21	Jersey City Community Development Block Grant	Not Provided	14.218	HUD	Jersey City Division of Community Development	\$ 50,000	<u>50,000</u>
							<u>\$ 269,134</u>

**Hudson County Court Appointed Special Advocates, Inc.
 Schedule of Expenditures of State Awards
 For the Year Ended June 30, 2021**

Contract Period	Grantor Type of Contract	Pass-Thru	Contract Number	Contract Amount (Maximum)	Contract Expenditures
NEW JERSEY DEPARTMENT OF CHILDREN AND FAMILIES					
7/1/20 to 6/30/21	Legislative Funding	CASA of New Jersey	Not Provided	<u>\$ 117,219</u>	<u>\$ 117,219</u>

Hudson County Court Appointed Special Advocates, Inc.
Notes to the Schedules of Expenditures of Federal and State Awards
For the Year Ended June 30, 2021

Note 1 - Basis of Presentation

The accompanying schedules of expenditures of federal and state awards (“Schedules”) includes federal and state award activities of Hudson County Court Appointed Special Advocates, Inc. under programs of the federal and state government for the year ended June 30, 2020. 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 Requirement of Federal Awards* (Uniform Guidance) and New Jersey State Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Therefore, some amounts presented in the schedules may differ from amounts presented in, or used in the preparation of the basic financial statements. All federal and state awards received directly from federal and state agencies is included on the schedules of federal and state awards. Because these Schedules present only a selected portion of the operations of Hudson County Court Appointed Special Advocates, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of Hudson County Court Appointed Special Advocates, Inc.

Note 2 - Summary of Significant Accounting Policies

The accompanying schedules of expenditures of federal and state awards are presented using the accrual basis of accounting which is described in Note A to the financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Hudson County Court Appointed Special Advocates, Inc. has not elected to use the 10% de minimus cost rate as allowed under the Uniform Guidance.

Note 3 - Subrecipient Pass Through

No federal or state awards were provided to sub-recipients.

Note 4 - Relationship to Federal and State Financial Reports

The regulations and guidelines governing the preparation of federal and state financial reports vary by agency and among programs administered by the same agency. Accordingly, the amounts reported in the federal and state financial reports do not necessarily agree with the amounts in the accompanying schedules of federal and state awards, which is prepared on the accrual basis of accounting explained in Note A.

Hudson County Court Appointed Special Advocates, Inc.
Schedule of Findings and Responses
For the Year Ended June 30, 2021

Summary of Auditors' Results

An unmodified report was issued on the Organization's financial statements.

The audit did not disclose any significant deficiencies in the internal controls of the Organization.

The audit did not disclose noncompliance which is material in relation to the financial statements of the Organization.

Findings relating to the financial statements which are required to be reported in accordance with Generally Accepted Government Auditing Standards

The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

Findings and Questioned Costs for Federal and State Awards

None noted