

**FINANCIAL STATEMENTS**  
**CARING TO LOVE MINISTRIES, INC.**

**For the Year ended**  
**June 30, 2017**

**Michael R. Choate & Company**  
**Certified Public Accountants**

**FINANCIAL STATEMENTS**  
**CARING TO LOVE MINISTRIES, INC.**

**For the Year ended**  
**June 30, 2017**

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CARING TO LOVE MINISTRIES, INC.  
Baton Rouge, Louisiana

June 30, 2017

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Caring to Love Ministries, Inc.  
Baton Rouge, Louisiana

We have audited the accompanying financial statements of Caring to Love Ministries, Inc. (a nonprofit organization) (the "Organization"), which comprise the Statement of Financial Position as of June 30, 2017, 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 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 representation of financial statements that are free from material misstatements, whether due to fraud or error.

### ***Auditor's 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 an 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 upon the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair representation 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 Organization'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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial states referred to above present fairly, in all material respects the financial position of the Organization as of June 30, 2017, and the changes in its net assets and its cash flow for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for the purposes of additional analysis as required by the U.S. Department of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. In addition, Louisiana Revised Statute 24:513 (A)(3), as amended, requires the Council to present a supplemental schedule of Compensation, Benefits and Other Payments Made to the Council's Executive Director for the fiscal year. This schedule is also 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare 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 26, 2017, on our consideration of the Organization's internal control over financial reporting and on our test of its compliance with certain laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our 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 the Organization's internal control over financial reporting and compliance.

December 26, 2017

  
Michael R. Choate & Company, CPAs

**CARING TO LOVE MINISTRIES, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**As of June 30, 2017**

ASSETS

Current Assets	
Cash and cash equivalents	\$ 205,934
Grants receivable	124,794
Accounts receivable	-
Prepaid expenses	<u>12,696</u>
Total Current Assets	<u>343,424</u>
Property and Equipment, net	<u>312,898</u>
Total Assets	<u><u>\$ 656,322</u></u>

LIABILITES AND NET ASSETS

Current Liabilities	
Bank line of credit	\$ -
Accounts payable	73,019
Payroll liabilities	<u>11,824</u>
Total Current Liabilities	<u>84,843</u>
Net Assets	
Unrestricted	<u>571,479</u>
Total Net Assets	<u>571,479</u>
Total Liabilities and Net Assets	<u><u>\$ 656,322</u></u>

See accompanying notes to financial statements.

**CARING TO LOVE MINISTRIES, INC.**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2017**

**Unrestricted Revenues and Support:**

Grant income	\$ 491,932
Contributions	163,822
Special events	122,135
Other revenue	5,571
Total Unrestricted Revenues and Support	<u>783,460</u>

**Expenses:**

Program services	660,734
Supporting services	230,484
Total Expenses	<u>891,218</u>

Decrease in Net Assets before extraordinary item	(107,758)
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<b>Extraordinary item: Great Louisiana Flood</b>	178,486
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Increase in Net Assets	70,728
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Net assets at beginning of year	<u>500,751</u>
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Net assets at end of year	<u><u>\$ 571,479</u></u>
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See accompanying notes to financial statements.

**CARING TO LOVE MINISTRIES, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended June 30, 2017**

	Program Services		Supporting Services		Total Expenses
	Life Choice	Other	Management and General	Fundraising	
Salaries	\$ 40,500	58,228	29,114	9,705	\$ 137,547
Payroll Taxes	2,729	4,265	2,132	711	9,837
Total Salaries and Payroll Taxes	43,229	62,493	31,246	10,416	147,384
Program Services	224,045	-	-	-	224,045
Contract Labor	35,676	35,877	17,939	5,979	95,471
Executive Director / President	-	58,055	29,027	9,676	96,758
Special Events	-	-	-	54,728	54,728
Benevolence	-	374	-	-	374
Books / printing	-	7,880	3,940	1,313	13,133
Travel	252	3,106	1,553	517	5,428
Employee benefits	2,554	6,943	3,472	1,157	14,126
Computer expense	9,755	14,846	7,423	2,474	34,498
Maintenance and repairs	-	(431)	(213)	(74)	(718)
Meals	-	1,718	859	286	2,863
Insurance	-	6,267	3,134	1,044	10,445
Advertising/media	24,300	9,725	4,863	1,621	40,509
Telephone	-	13,537	6,768	2,256	22,561
Accounting	19,800	-	-	-	19,800
Audit	8,500	-	-	-	8,500
Interest	-	1,556	778	259	2,593
Legal	-	1,037	519	173	1,729
Occupancy	-	4,447	2,223	741	7,411
Miscellaneous	-	3,181	575	193	3,949
Printing	9,578	-	-	-	9,578
Postage	-	2,293	1,147	382	3,822
Bank charges	-	3,411	1,706	568	5,685
Supplies	4,700	6,417	3,209	1,069	15,395
Licenses and fees	-	845	422	141	1,408
FEMA expenses	-	3,486	-	-	3,486
Rent	-	5,106	2,553	851	8,510
Auto	-	4,060	2,030	677	6,767
Donations	-	8,820	-	-	8,820
Total Expenses Before Depreciation	339,160	202,556	93,927	86,031	721,674
Depreciation	-	13,296	6,648	2,216	22,160
Total Other Expenses	-	13,296	6,648	2,216	22,160
Total Expenses	\$ 382,389	\$ 278,345	\$ 131,821	\$ 98,663	\$ 891,218
Percentage of Total Expenses	43%	31%	15%	11%	100%

See accompanying notes to financial statements.

**CARING TO LOVE MINISTRIES, INC.**  
**STATEMENT OF CASH FLOWS**  
**For the year ended June 30, 2017**

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Change in net assets	\$ 70,728
Depreciation expense	22,160
Loss of assets in flood	55,336
Adjustments to reconcile the change in net assets to net cash provided by operating activities:	
Decrease (Increase) in operating assets:	
Grants receivable	(10,886)
Prepaid expenses	(4,688)
Accounts receivable	-
(Decrease) Increase in operating liabilities:	
Accounts payable	7,484
Accrued expenses and other	(3,480)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>136,654</u>
 <b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>	
Purchase of fixed assets	<u>(198,915)</u>
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<u>(198,915)</u>
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Bank loan payments	<u>(1,500)</u>
<b>NET CASH USED BY FINANCING ACTIVITIES</b>	<u>(1,500)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(63,761)</u>
CASH AND CASH EQUIVALENTS, beginning of year	<u>269,695</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>\$ 205,934</u></u>

See accompanying notes to financial statements.

**CARING TO LOVE MINISTRIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year ended June 30, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization

Caring to Love Ministries, Inc. (a nonprofit organization) (the “Organization”) was established in 1983 and is a 501(c)(3) non-profit, non-discriminatory organization with a voluntary Board of Directors. The Organization originated to assist and educate teens in various life-changing issues. This assistance is practical in nature – adult women helping teenage women to extend a loving hand to teens, offering them real hope out of unplanned pregnancy, chemical dependency and poverty.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Financial statement presentation follows the reporting requirements of the Not-For-Profit Entities Topic of FASB, ASC (FASB ASC 958), which establishes external financial reporting for not-for-profit organizations that include three basic financial statement classifications of resources into three separate classes of net assets, as follow:

- Unrestricted – Net assets which are free of donor-imposed restrictions; all revenues, expenses, gains, and losses that are not changes in permanently or temporarily restricted net assets.
- Temporarily Restricted – Net assets whose use by the Organization is limited by donor-imposed stipulations that either expire by the passage of time or that can be fulfilled and removed by the actions of the Organization pursuant to such situations.
- Permanently Restricted – Net assets whose use by the Organization is limited by donor-imposed stipulation that neither expire with the passage of time nor can be fulfilled and removed by the actions of the Organization.

The classification of net assets into three separate groupings described above is based on criteria established by the Financial Accounting Standards Board, which are not necessarily consistent with

regulations of the Internal Revenue Service concerning restrictions on donations.

#### Donated Services

No amounts have been reflected in the financial statements for donated services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific programs and assignment. Donated items related to the flood were valued at \$60,150 and recorded. See note 11 for details.

#### Contributions

In accordance with the *Accounting for Contributions Received and Contributions Made* Topic of FASB ASC (FASB ASC 958), contributions received are recorded as unrestricted, temporarily restricted or permanently restricted depending on the existence or nature of any donor restrictions. If donor restrictions are met in the same accounting period then assets are listed as unrestricted.

#### Other Revenue

The Organization receives other revenue from miscellaneous events and presentations that are held periodically. There are no restrictions on this income and is disclosed as other revenue under unrestricted revenue in the financial statements.

#### Functional Allocation of Expense

The costs of providing the Organization's programs and services have been summarized on a functional basis in the Statement of Functional Expenses. Management and general expenses include those expenses that are not directly identifiable with any other specific functions but provide for the overall support and direction of the Organization.

#### Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Financial Accounting Standards Board ("FASB") issued FASB Interpretation No. 48 (FIN48), *Accounting for the Uncertainty in Income Taxes*, which clarifies the accounting for income taxes recognized in the financial statements in accordance with Statements of Financial Accounting Standard ("SFAS 109"), Accounting for Income Taxes (FASB Accounting Standards Codification (ASC 740, Income Taxes). FIN 48 provides that a tax benefit from an uncertain tax position may be recognized when it is more-likely-than-not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits.

The Organization's Form 990, *Return of Organization Exempt from Income Tax*, for the years ending 2014-2016 are subject to examination by the IRS, generally for 3 years after they were filed.

### Public Support and Revenue

The Organization receives its support primarily from the State Department of Social Services.

Irrevocable promises to give and outright contributions are recorded as revenue on the accrual basis as they are received, and allowances are provided for promises to give estimated to be uncollectible. Promises to give and contributions are principally received from corporate, foundation, and individual donors around the United States.

Promises to give and contributions are considered available for unrestricted use unless specifically restricted by donors. Irrevocable promises to give which relate to a subsequent year are recorded as receivables and temporarily restricted net assets in the year the commitment is received. Contributions whose donor restrictions are met in the same reporting period are reported as unrestricted support.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. If the expenses related to temporarily restricted revenues occur in the same year the revenues are received, these revenues are recorded as unrestricted.

### Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

### Property and Equipment

The purchase of property and equipment is recorded at cost. It is the Organization's policy to capitalize expenditures for these items in excess of \$1,000. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Property and equipment are depreciated using the straight-line method over their estimated useful lives of 5 to 30 years.

Generally, when items of property are retired or disposed of, the cost and relate accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in the Statement of Activities. Expenditures for repairs and maintenance are charged to expense as incurred.

#### Advertising

Advertising costs are expensed as incurred.

#### Estimates

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

#### **NOTE 2 - GRANTS RECEIVABLE**

Grant receivable of \$124,794 at June 30, 2017 is comprised of grants receivable from the State of Louisiana.

#### **NOTE 3 – PROPERTY AND EQUIPMENT**

The costs and related accumulated depreciation of property and equipment consisted of the following at June 30, 2017:

Vehicle	\$ 31,940
Buildings and improvements	392,017
Equipment	55,450
Furniture and fixtures	<u>4,500</u>
Total property and equipment	483,907
Less accumulated depreciation	<u>(171,009)</u>
Property and equipment, net	<u>\$312, 898</u>

Depreciation expense was \$22,160 for the year ended June 30, 2017.

#### **NOTE 4 – LEASE COMMITMENT**

On March 16, 1992, the Organization entered into a ninety-nine (99) year land lease with a nonprofit organization. A Board member of the Organization is an authorized agent for the leasing nonprofit organization. The rent to be paid by the Organization is \$1,200 per year. Rent expense is included in

occupancy expense and totaled \$1,200 for the year ended June 30, 2017.

The future minimum lease payments are as follows:

2018	1,200
2019	1,200
2020	1,200
2021	1,200
Thereafter	<u>83,000</u>
<u>Total</u>	<u>\$ 88,800</u>

#### **NOTE 5 – CONCENTRATION OF GRANT INCOME**

The Organization receives a majority of its revenue from funds provided through various federal, state, and private grants. During the year ending June 30, 2017, approximately 62 % of revenues were from the Department of Social Services, Department of Children and Family Services, TANF grant. The grant amounts are appropriated each year by the federal and state governments.

If budget cuts or program changes are made at the federal or state level, the amount of grant income the Organization receives could be reduced significantly and have an adverse impact on its operations. The current TANF Grant expired on June 30, 2017. Management intends to re-apply for a new grant and continue operating at its current level. As of the audit date, the major grant had been renewed for another year and will terminate on June 30, 2018.

#### **NOTE 6 - CONTINGENCIES**

The Organization receives a significant portion of its revenue from government grants and contracts, all of which are subject to audit by the government. The ultimate determination of amounts received under these programs generally is based upon allowable costs reported to and are subject to audit by the government. Until such audits, if any, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from any such audit.

## **NOTE 7 - RISK MANAGEMENT**

The Organization is exposed to various risks of loss related to torts; theft of, damage of, and destruction of assets; errors and omissions, and natural disasters for which the Organization carries commercial insurance. There have been no significant reductions in coverage from prior years and settlements have not exceeded coverage in the past three years.

## **NOTE 8 – BOARD OF DIRECTORS**

The Board of Directors serves and directs the Organization on a voluntary basis. The Board does not receive compensation.

## **NOTE 9 – NOTE PAYABLE**

The Organization has a line of credit with a local bank. The maximum loan amount is \$175,000 with interest due monthly at Wall Street Journal prime + 2%. Secured by equipment. The balance at June 30, 2017 was \$0.

## **NOTE 10 - RELATED PARTY TRANSACTIONS**

The Organization has the following transactions with related organizations and related persons receiving funding for services rendered during the year ended June 30, 2017:

Hope Group, Inc. ( a nonprofit organization)	\$ 12,000
	-
Total	<u>\$ 12,000</u>

The Organization also receives below market rent on its building (see Note 4).

## **NOTE 11 – EXTRAORDINARY ITEM – GREAT LOUISIANA FLOOD OF 2016**

On August 12, 2016, the Organization was devastated by the Great Louisiana Flood of 2016. Over 3 feet of water was received by the facilities. The Organization resumed operations within 60 days. Damage incurred exceeded \$245,000. Fortunately, contributions for flood relief exceeded \$289,883. The net financial impact is reported as an extraordinary item on the Statement of Activities.

## **NOTE 12 – SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through December 26, 2017, which is the date the financial statements were available to be released. No additional disclosures necessary.

**Independent Auditor's Report on Internal Control over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements Performed in  
Accordance With Government Auditing Standards**

To the Board of Directors,  
Caring to Love Ministries, Inc.  
Baton Rouge, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Caring to Love Ministries, Inc., Baton Rouge Louisiana, (the Organization) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements, and have issued our report thereon dated December 26, 2017.

**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 my opinions 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 over financial reporting 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 financial reporting 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 the Organization'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 or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purposes 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Baton Rouge, Louisiana,  
December 26, 2017

  
Michael R. Choate & Company, CPAs

**Schedule of Compensation, Benefits and Other Payments to the  
Council's Executive Director**

**Caring to Love Ministries, Inc  
Baton Rouge, Louisiana  
For the year ended June 30, 2017**

**Executive Director's (Agency Head) Name: Dorothy Wallis**

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 40,500
Benefits-insurance (health and life)	
Benefits-retirement	
Benefits-Other (describe)	
Benefits-Other (describe)	
Benefits-Other (describe)	
Car allowance	6,767
Vehicle provided by government (enter amount reported on W-2)	
Per diem	
Reimbursements	
Travel	
Registration fees	
Conference travel	
Housing	96,758
Unvouchered expenses (example: travel advances, etc.)	
Special meals	
Other - Petty Cash Reimbursements	

**CARING TO LOVE MINISTRIES, INC**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2017**

**A. SUMMARY OF THE AUDITOR'S RESULTS**

- The Auditor's report expresses an unqualified opinion of the financial statements of Caring to Love Ministries, Inc. (a nonprofit organization) (the "Organization").
- No instances of noncompliance material to the financial statements of the Organization were disclosed and identified during the audit.
- No significant deficiency in internal control over financial reporting is reported in the *Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the Organization are reported in the *Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No management letter was issued for the year ended June 30, 2017.

**CARING TO LOVE MINISTRIES, INC**  
**SUMMARY SCFHEDULE OF PRIOR YEAR FINDINGS**  
**For the Year Ended June 30, 2016**

**SECTION I – FINDINGS RELATED TO THE FINANCIAL STATEMENTS**

Not applicable.

**SECTION II – FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR  
FEDERAL AWARD PROGRAMS**

Not applicable.

**SECTION III – MANAGEMENT LETTER**

Not applicable.

**CARING TO LOVE MINISTRIES, INC.  
CORRECTIVE ACTION PLAN – Prior Year  
For the Year Ended June 30, 2016**

**NOT APPLICABLE - for the year June 30, 2016**