

CASA OF SOLA, INC.
FINANCIAL REPORT
YEARS ENDED JUNE 30, 2018 AND 2017

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KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
CASA of SoLA, Inc.
Lafayette, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of CASA of SoLA, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities 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 audit. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CASA of SoLA, Inc. as of June 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 13 and 14 is presented for purposes of additional analysis and is not a required part of the financial statements. The supplementary information section has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2018, on our consideration of CASA of SoLA, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CASA of SoLA, Inc.'s internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
November 30, 2018

FINANCIAL STATEMENTS

CASA OF SOLA, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2018 AND 2017

| | <u>2018</u> | <u>2017</u> |
|---|--------------------------|--------------------------|
| ASSETS | | |
| Cash and Cash Equivalents | \$ 166,757 | \$ 161,646 |
| Accounts Receivable | 22,583 | 18,856 |
| Furniture, Fixtures and Equipment, net | <u>10,855</u> | <u>8,252</u> |
| TOTAL ASSETS | <u>\$ 200,195</u> | <u>\$ 188,754</u> |
| LIABILITIES AND NET ASSETS | | |
| LIABILITIES | | |
| Accounts Payable | \$ 1,081 | \$ 978 |
| Payroll Liabilities | <u>4,870</u> | <u>4,124</u> |
| Total Liabilities | <u>5,951</u> | <u>5,102</u> |
| NET ASSETS | | |
| Unrestricted | <u>194,244</u> | <u>183,652</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 200,195</u> | <u>\$ 188,754</u> |

The accompanying notes are an integral part of this statement.

CASA OF SOLA, INC.

STATEMENTS OF ACTIVITIES

JUNE 30, 2018 AND 2017

| | <u>2018</u> | <u>2017</u> |
|--|-------------------|-------------------|
| UNRESTRICTED NET ASSETS | | |
| REVENUES, GAINS AND PUBLIC SUPPORT | | |
| Public Support: | | |
| Donations | \$ 17,866 | \$ 31,811 |
| Fundraising | <u>22,924</u> | <u>30,984</u> |
| Total Public Support | 40,790 | 62,795 |
| Fees and Grants from Governmental Agencies | 271,086 | 258,641 |
| Fees and Grants from Non-Governmental Agencies | 12,873 | 12,152 |
| Investment Income | 52 | 43 |
| Gain (Loss) on Sale of Fixed Assets | - | (503) |
| Miscellaneous Income | <u>-</u> | <u>3,053</u> |
| Total Revenues, Gains and Public Support | <u>324,801</u> | <u>336,181</u> |
| EXPENSES AND LOSSES | | |
| Program Services: | | |
| Court Appointed Special Advocates for Children | 248,044 | 248,709 |
| Supporting Services: | | |
| Administrative and General | 54,707 | 34,509 |
| Fund Raising | <u>11,458</u> | <u>33,526</u> |
| Total Expenses | <u>314,209</u> | <u>316,744</u> |
| INCREASE IN UNRESTRICTED NET ASSETS | 10,592 | 19,437 |
| NET ASSETS AT BEGINNING OF YEAR | <u>183,652</u> | <u>164,215</u> |
| NET ASSETS AT END OF YEAR | <u>\$ 194,244</u> | <u>\$ 183,652</u> |

The accompanying notes are an integral part of this statement.

CASA OF SOLA, INC.

STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2018 AND 2017

| | <u>2018</u> | <u>2017</u> |
|---|-------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Increase in Net Assets | \$ <u>10,592</u> | \$ <u>19,437</u> |
| Adjustments to Reconcile Increase in Net Assets to | | |
| Net Cash Flow from Operating Activities: | | |
| Depreciation | 1,485 | 1,319 |
| Non-cash donations | (800) | - |
| (Gain) Loss on Disposal of Assets | - | 503 |
| Decrease (increase) in Operating Assets | | |
| Accounts Receivable | (3,727) | 9,854 |
| Increase (decrease) in Operating Liabilities | | |
| Accounts Payable | 103 | 29 |
| Payroll Liabilities | <u>746</u> | <u>(994)</u> |
| Total Adjustments | <u>(2,193)</u> | <u>10,711</u> |
| Net Cash Provided By Operating Activities | 8,399 | 30,148 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of Property and Equipment | <u>(3,288)</u> | <u>(7,121)</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 5,111 | 23,027 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | <u>161,646</u> | <u>138,619</u> |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | <u>\$ 166,757</u> | <u>\$ 161,646</u> |
| SUPPLEMENTARY CASH FLOW INFORMATION: | | |
| Donation of furniture, fixtures and equipment | <u>\$ 800</u> | <u>\$ -</u> |

The accompanying notes are an integral part of this statement.

CASA OF SOLA, INC.

NOTES TO FINANCIAL STATEMENTS

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations – CASA of SoLA, Inc. is a nonprofit corporation organized under the laws of Louisiana on July 1, 2010. The corporation was formed for the purpose of recruiting, training and supporting volunteer court appointed advocates to speak for the best interests of abused and neglected children in court. The Organization’s mission is “to find each child a safe, nurturing, and permanent home.” CASA of SoLA, Inc. serves the children of Acadia, Lafayette and Vermilion Parishes. A Board of Directors manages the operations of the Organization and those Directors receive no compensation for their services. The Organization is primarily funded through grants from various organizations and agencies as well as contributions from private foundations, corporations and individuals.

Basis of Presentation – The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Basis of Accounting – Assets, liabilities, revenues and expenses are recognized on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

Contributions – Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. Restrictions on gifts of fixed assets or cash for the purchase of fixed assets expire when the asset is placed in service.

Income Taxes – CASA of SoLA, Inc. qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes. In addition, the Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509 (a) of the Code.

Furniture, Fixtures and Equipment – Property and equipment are valued at historical cost for assets purchased and at fair market value at the date of donation for contributed assets. Donations of property and equipment are recorded as support at their estimated fair market value and are reported as unrestricted unless the donor has restricted the donated assets for a specific purpose. The Organization is not allowed to dispose of any fixed assets purchased with grant proceeds without the approval of the grantor agency.

Depreciation is computed using the straight-line method over the estimated useful lives of the individual assets. The furniture and equipment are depreciated over five to seven years. Depreciation expense was \$1,485 and \$1,319 for the years ended June 30, 2018 and 2017, respectively.

CASA OF SOLA, INC.

NOTES TO FINANCIAL STATEMENTS

Compensated Absences - Employees of the Organization are entitled to paid vacation, paid sick days, and personal days off, depending on job classification, length of service, and other factors. It is impracticable to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the accompanying financial statements. The Organization's policy is to recognize the costs of compensated absences when actually paid to employees.

Cash and Cash Equivalents - For the purposes of the Statement of Cash Flows, the organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. There were no cash equivalents at June 30, 2018 and 2017.

Federal Financial Awards - Revenues for direct and indirect federal grants and contracts are recorded based on expenses incurred for contracts that are on a cost reimbursement basis, and based on the units of service for those contracts which are on a fee for service basis. In the statement of activities, these revenues are referred to as Grants and Other Unrestricted Revenues and Support. Related contract receivables are referred to as accounts receivable in the statement of financial position.

Donated Services and Materials - The Organization recognizes donated services that (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Donated goods and supplies were valued at \$1,500 and \$14,500 for the years ended June 30, 2018 and 2017, respectively. Donated professional services were valued at \$1,220 and \$2,000 for the years ended June 30, 2018 and 2017, respectively. Donated rent was valued at \$1,000 and \$2,200 for the years ended June 30, 2018 and 2017, respectively.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets 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.

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

Advertising Costs - The Organization uses advertising to promote its programs among the audiences it serves. Advertising costs are expensed as incurred. Advertising expense was \$455 and \$12,510 for the years ended June 30, 2018 and 2017, respectively.

Reclassifications - Certain 2017 amounts have been reclassified to conform with the 2018 financial statement presentation.

(B) ACCOUNTS RECEIVABLE

Accounts receivable was comprised of funds from CASA Assistance Program for \$22,583 and \$18,856, at June 30, 2018 and 2017, respectively.

CASA OF SOLA, INC.

NOTES TO FINANCIAL STATEMENTS

(C) FURNITURE, FIXTURES AND EQUIPMENT

The following is a summary of furniture, fixtures and equipment and the corresponding accumulated depreciation for the years ended June 30, 2018 and 2017:

| | 2018 | 2017 |
|--|------------------|-----------------|
| Furniture, Fixtures and Equipment | \$ 18,008 | \$ 13,920 |
| Less: Accumulated Depreciation | <u>(7,153)</u> | <u>(5,668)</u> |
| Furniture, Fixtures and Equipment, net | <u>\$ 10,855</u> | <u>\$ 8,252</u> |

(D) RETIREMENT PLAN

Effective July 1, 2010, the Organization began offering participation in a Savings Incentive Match Plan for Employees of Small Employers (SIMPLE) to employees who meet predetermined eligibility requirements. The Organization will match up to 3 percent of eligible employees' compensation for the calendar year to a SIMPLE IRA. Retirement plan expense for the years ended June 30, 2018 and 2017 was \$0 and \$1,047, respectively.

(E) OPERATING LEASE

CASA of SoLA, Inc. leases approximately 1,550 square feet of office space. The operating lease was entered into on March 1, 2018 for two years terminating on February 28, 2020, with an option to extend the term for an additional year. Payments of \$18,000 and \$17,437\$0, during June 30, 2018 and 2017, respectively, were recognized as rent expense. The minimum future rental payments under this operating lease having a remaining term in excess of one year as of June 30, 2018 for the remainder of the lease is as follows:

| <u>Year Ended</u> | <u>Amount</u> |
|-------------------------------------|------------------|
| 2019 | \$ 18,000 |
| 2020 | <u>12,000</u> |
| Total Minimum Future Lease Payments | <u>\$ 30,000</u> |

(F) FINANCIAL INSTRUMENTS

Financial instruments which potentially subject the Organization to concentrations of credit risk include temporary cash investments. The Organization maintains its cash and invested funds in a financial institution. Accounts at this institution are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2018 and 2017, the Organization did not exceed the insured limits.

CASA OF SOLA, INC.

NOTES TO FINANCIAL STATEMENTS

(G) CONCENTRATION

CASA of SoLA, Inc. received approximately eighty percent (80%) of its total revenue from the Louisiana Supreme Court through its Temporary Assistance to Needy Families program. The Organization does not expect that the support from this governmental agency will be lost in the near-term; however, a change in this funding could substantially affect the operations of the Organization.

(H) COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO EXECUTIVE DIRECTOR

A detail of compensation, benefits, and other payments paid to Kenneth Boudreaux, Executive Director, July 1, 2017 through January 31, 2018 and Heather Blanchard, Executive Director, February 1, 2018 through June 30, 2018 are as follows:

| <u>Purpose</u> | <u>Heather Blanchard</u> | <u>Kenneth Boudreaux</u> |
|------------------|------------------------------|------------------------------|
| Salary | \$ 27,674 | \$ 27,417 |
| Health Insurance | <u>2,250</u> | <u>1,405</u> |
| Total | <u>\$ 29,924</u> | <u>\$ 28,822</u> |

(I) INCOME TAXES

CASA of SoLA, Inc. is a nonprofit organization exempt from Federal and State income taxes. Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the organization and recognize a tax liability (or asset) if the organization has undertaken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the organization, and has concluded that as of June 30, 2018 and 2017, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The organization is subject to routine audit by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

(J) SUBSEQUENT EVENT

CASA of SoLA, Inc. has evaluated subsequent events through the date of the independent auditors' report, the date which the financial statements were available to be issued.

(K) RECENT ACCOUNT PRONOUNCEMENTS

In May 2014, the FASB issued Accounting Standards Update No. 2014-9, Revenue from Contracts with Customers (Topic 606). This guidance is a comprehensive new revenue recognition standard that will supersede substantially all existing revenue recognition guidance. The new standard's core principle is that a company will 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 more entitled in exchange for those goods or services. In doing so,

CASA OF SOLA, INC.

NOTES TO FINANCIAL STATEMENTS

companies will need to use more judgment and make more estimates than under existing guidance. These may include identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each separate performance obligation. On July 9, 2015, the FASB agreed to delay the effective date of the standard by one year. Therefore, the new standard will be effective for annual periods beginning after December 31, 2018 and is not expected to have a significant impact on CASA of SoLA, Inc.'s financial statements.

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842) intended to improve financial reporting regarding leasing transactions. The new standard affects all companies and organizations that lease assets and liabilities for the rights and obligations created by those leases if the lease terms are more than 12 months. The guidance also will require qualitative quantitative disclosures providing additional information about the amounts recorded in the financial statements. The amendments in this update are effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. CASA of SoLA, Inc. is evaluating the potential impact of the amendment on CASA of SoLA, Inc.'s financial statements.

In August 2016, the FASB issued Accounting Standards update No. 2016-14, Not-for-Profit Entities (Topic 958) to improve the current net assets classification requirements and the information presented in financial statements and notes about a not-for-profit entity's liquidity, financial performance, and cash flows. The amendments in this Update make certain improvements that address many, but not all, of the identified issues about the current financial reporting for not-for-profit entities. The amendment is effective for fiscal years beginning after December 15, 2017. CASA of SoLA is evaluating the potential impact of the amendment on CASA of SoLA's financial statements.

SUPPLEMENTARY INFORMATION

CASA OF SOLA, INC.

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2018

| | <u>PROGRAM SERVICES</u> | | <u>SUPPORT SERVICES</u> | | <u>TOTAL</u> |
|-----------------------------------|--------------------------|------------------|-------------------------|--|-------------------|
| | <u>COURT APPOINTED</u> | <u>FUND</u> | | | |
| | <u>SPECIAL ADVOCATES</u> | <u>RAISING</u> | <u>ADMINISTRATIVE</u> | | |
| | <u>FOR CHILDREN</u> | | | | |
| Compensation and Related Expenses | | | | | |
| Salaries | \$ 150,767 | \$ 4,407 | \$ 28,648 | | \$ 183,822 |
| Employee Benefits | | | | | |
| Payroll Taxes | 12,000 | 397 | 2,580 | | 14,977 |
| Medical Insurance | <u>11,324</u> | <u>292</u> | <u>1,901</u> | | <u>13,517</u> |
| | 174,091 | 5,096 | 33,129 | | 212,316 |
| Accounting and Legal | 17,319 | - | 1,000 | | 18,319 |
| Background Checks | 1,620 | - | 80 | | 1,700 |
| Depreciation | - | - | 1,485 | | 1,485 |
| Dues and Memberships | 435 | - | - | | 435 |
| Equipment Rental and Maintenance | 1,954 | - | 29 | | 1,983 |
| Fund Raising/Special Events | - | 6,362 | 3,417 | | 9,779 |
| Information Technology | 3,443 | - | 580 | | 4,023 |
| Insurance | 9,827 | - | 589 | | 10,416 |
| Miscellaneous | 2,006 | - | 4,843 | | 6,849 |
| Outside Services | - | - | 5,625 | | 5,625 |
| Postage | 409 | - | - | | 409 |
| Printing and Copying | 2,077 | - | 38 | | 2,115 |
| Rent | 18,000 | - | - | | 18,000 |
| Supplies | 3,267 | - | 870 | | 4,137 |
| Telephone and Communication | 2,762 | - | 80 | | 2,842 |
| Travel and Meetings | 8,693 | - | 1,116 | | 9,809 |
| Volunteer Training | <u>2,141</u> | <u>-</u> | <u>1,826</u> | | <u>3,967</u> |
| Totals | <u>\$ 248,044</u> | <u>\$ 11,458</u> | <u>\$ 54,707</u> | | <u>\$ 314,209</u> |

CASA OF SOLA, INC.

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2017

| | <u>PROGRAM SERVICES</u> | | <u>TOTAL</u> |
|--------------------------------------|---|--|-------------------|
| | <u>COURT APPOINTED SPECIAL ADVOCATES FOR CHILDREN</u> | <u>SUPPORT SERVICES FUND RAISING ADMINISTRATIVE</u> | |
| Compensation and Related Expenses | | | |
| Salaries | \$ 143,481 | \$ 3,202 | \$ 168,161 |
| Employee Benefits | | | |
| Payroll Taxes | 11,695 | 291 | 13,879 |
| Medical Insurance | 11,750 | 324 | 14,180 |
| Retirement Expense | <u>419</u> | <u>84</u> | <u>1,047</u> |
| | 167,345 | 3,901 | 197,267 |
| Accounting and Legal | 18,615 | - | 18,615 |
| Background Checks | 953 | - | 953 |
| Depreciation | - | - | 1,319 |
| Dues and Memberships | 465 | - | 465 |
| Equipment Rental and Maintenance | 1,760 | - | 1,760 |
| Fund Raising/Special Events | - | 29,625 | 29,625 |
| Information Technology | - | - | 2,316 |
| Insurance | 10,341 | - | 10,341 |
| Miscellaneous | 4,472 | - | 5,668 |
| Postage | 192 | - | 192 |
| Printing and Copying | 1,973 | - | 1,973 |
| Rent | 17,437 | - | 17,437 |
| Supplies | 12,467 | - | 577 |
| Telephone and Communication | 3,016 | - | 3,016 |
| Travel and Meetings | 6,189 | - | 742 |
| Volunteer Training | <u>3,484</u> | <u>-</u> | <u>2,338</u> |
| Totals | <u>\$ 248,709</u> | <u>\$ 33,526</u> | <u>\$ 34,509</u> |
| | | | <u>\$ 316,744</u> |

**INTERNAL CONTROL,
COMPLIANCE,
AND
OTHER MATTERS**

KOLDER, SLAVEN & COMPANY, LLC

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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 of
CASA of SoLA, Inc.
Lafayette, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of CASA of SoLA, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated November 30, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered CASA of SoLA, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CASA of SoLA, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of CASA of SoLA, Inc.'s internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether CASA of SoLA, 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 or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report maybe limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
November 30, 2018