

Cheryl Rohlf & Associates, Ltd.

Certified Public Accountants

CASA LAKE COUNTY, INC.
FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED
JUNE 30, 2013 AND 2012

WITH
REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

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Cheryl Rohlfs & Associates, Ltd.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

January 22, 2014

To The Board of Directors of
CASA Lake County, Inc.

We have audited the accompanying financial statements of CASA Lake County, Inc. (an Illinois nonprofit organization) which comprise the statements of financial position, as of June 30, 2013 and 2012, and the related statements of activities, functional expenses, and cash flows for the fiscal 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 Lake County, Inc. as of June 30, 2013 and 2012, and the changes in its net assets and its cash flows for the fiscal years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2014 on our consideration of CASA Lake County, Inc.'s internal control over financial reporting and 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, 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* and should be considered in assessing the results of our audit.



CHERYL ROHLFS & ASSOCIATES, LTD.
Northbrook, Illinois

CASA LAKE COUNTY, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
ASSETS		
Cash	\$ 462,210	\$ 630,169
Investments	247,093	235,244
Accounts Receivable	6,787	1,430
Unconditional Promises to Give	45,000	13,676
Prepaid Expenses	1,866	1,933
Security Deposits	4,225	4,225
Property and Equipment:		
Office Equipment	42,822	42,480
Furniture and Fixtures	25,925	25,925
Software	2,000	2,000
Website	<u>5,000</u>	<u>5,000</u>
	75,747	75,405
Less: Accumulated Depreciation	<u>(46,337)</u>	<u>(36,567)</u>
Total Property and Equipment	<u>29,410</u>	<u>38,838</u>
Total Assets	<u>\$ 796,591</u>	<u>\$ 925,515</u>
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 30,312	\$ 27,706
Deferred Revenue	<u>-</u>	<u>10,000</u>
Total Liabilities	<u>30,312</u>	<u>37,706</u>
Net Assets		
Unrestricted	552,144	673,674
Board Designated	<u>214,135</u>	<u>214,135</u>
Total Unrestricted	<u>766,279</u>	<u>887,809</u>
Total Net Assets	<u>766,279</u>	<u>887,809</u>
Total Liabilities and Net Assets	<u>\$ 796,591</u>	<u>\$ 925,515</u>

See accompanying notes and independent auditor's report.

CASA LAKE COUNTY, INC.
STATEMENTS OF ACTIVITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
UNRESTRICTED NET ASSETS:		
Unrestricted Revenues and Gains:		
Public Support:		
Government Grants (Schedule I)	\$ 39,450	\$ 46,455
Contributions and United Way (Schedule I)	402,491	456,150
Special Events:		
Anniversary Dinner	268,080	285,712
Golf Outings	195,515	154,517
Other	16,073	33,805
Other Revenues:		
Training Fees	3,880	3,060
Miscellaneous Income	112	-
Investment Income	6,017	6,221
Unrealized Gains on Investments	<u>11,387</u>	<u>7,376</u>
Total Unrestricted Revenues and Gains	943,005	993,296
Net Assets Released From Restrictions Satisfied By Payments	<u>-</u>	<u>15,587</u>
Total Unrestricted Revenues, Gains and Other Support	<u>943,005</u>	<u>1,008,883</u>
Expenses:		
Program Services	756,391	751,645
Supporting Services:		
Management and General	39,032	40,794
Fundraising	<u>269,112</u>	<u>248,306</u>
Total Expenses	<u>1,064,535</u>	<u>1,040,745</u>
DECREASE IN UNRESTRICTED NET ASSETS	<u>\$ (121,530)</u>	<u>\$ (31,862)</u>
TEMPORARILY RESTRICTED NET ASSETS:		
Net Assets Released From Restrictions:		
Restrictions Satisfied By Payments	<u>\$ -</u>	<u>\$ (15,587)</u>
DECREASE IN TEMPORARILY RESTRICTED NET ASSETS	<u>\$ -</u>	<u>\$ (15,587)</u>
DECREASE IN NET ASSETS	\$ (121,530)	\$ (47,449)
NET ASSETS, BEGINNING OF YEAR	<u>887,809</u>	<u>935,258</u>
NET ASSETS, END OF YEAR	<u>\$ 766,279</u>	<u>\$ 887,809</u>

See accompanying notes and independent auditor's report.

CASA LAKE COUNTY, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

	Program	Management and General	Fundraising	2013 Total
Compensation and Related Expenses:				
Salaries	\$ 516,150	\$ 20,305	\$ 61,622	\$ 598,077
Payroll Taxes	63,925	2,514	7,632	74,071
Employee Benefits	29,248	1,168	3,490	33,906
	<u>\$ 609,323</u>	<u>\$ 23,987</u>	<u>\$ 72,744</u>	<u>\$ 706,054</u>
Seminars and Education	2,365	-	-	2,365
Travel and Lodging - Staff	5,435	-	-	5,435
Meetings and Conferences	1,406	468	-	1,874
Advocate Training and Development	2,283	-	-	2,283
Recognition Dinner	23,085	-	-	23,085
Occupancy	59,957	3,527	7,054	70,538
Telephone and Internet	4,150	244	488	4,882
Postage	2,833	167	333	3,333
Office Expenses and Printing	18,674	1,099	2,197	21,970
Insurance	2,567	811	-	3,378
Dues and Subscriptions	538	877	-	1,415
Professional Fees	11,150	7,364	11,285	29,799
Promotional Materials	4,320	-	-	4,320
Fundraising Expenses:				
Annual Dinner Auction	-	-	110,182	110,182
Golf Outings	-	-	56,058	56,058
Other	-	-	7,794	7,794
Total Expenses Before Depreciation	<u>\$ 748,086</u>	<u>\$ 38,544</u>	<u>\$ 268,135</u>	<u>\$ 1,054,765</u>
Depreciation	8,305	488	977	9,770
TOTAL EXPENSES	<u><u>\$ 756,391</u></u>	<u><u>\$ 39,032</u></u>	<u><u>\$ 269,112</u></u>	<u><u>\$ 1,064,535</u></u>

See accompanying notes and independent auditor's report.

CASA LAKE COUNTY, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012 (CONTINUED)

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>2012 Total</u>
Compensation and Related Expenses:				
Salaries	\$ 528,948	\$ 20,328	\$ 70,928	\$ 620,204
Payroll Taxes	41,134	1,581	5,516	48,231
Employee Benefits	40,684	1,564	5,455	47,703
	<u>\$ 610,766</u>	<u>\$ 23,473</u>	<u>\$ 81,899</u>	<u>\$ 716,138</u>
Seminars and Education	2,166	-	-	2,166
Travel and Lodging - Staff	468	-	-	468
Meetings and Conferences	5,819	1,940	-	7,759
Advocate Training and Development	2,494	-	-	2,494
Recognition Dinner	7,530	-	-	7,530
Occupancy	55,185	3,246	6,492	64,923
Telephone and Internet	5,292	312	623	6,227
Postage	3,226	190	380	3,796
Office Expenses and Printing	15,581	917	1,833	18,331
Insurance	4,793	1,514	-	6,307
Dues and Subscriptions	815	1,330	-	2,145
Professional Fees	8,566	7,400	-	15,966
Promotional Materials	19,791	-	-	19,791
Fundraising Expenses:				
Annual Dinner Auction	-	-	110,436	110,436
Golf Outings	-	-	42,767	42,767
Other	-	-	2,932	2,932
Loss on Sale of Equipment	1,133	-	-	1,133
Total Expenses Before Depreciation	<u>\$ 743,625</u>	<u>\$ 40,322</u>	<u>\$ 247,362</u>	<u>\$ 1,031,309</u>
Depreciation	8,020	472	944	9,436
TOTAL EXPENSES	<u><u>\$ 751,645</u></u>	<u><u>\$ 40,794</u></u>	<u><u>\$ 248,306</u></u>	<u><u>\$ 1,040,745</u></u>

See accompanying notes and independent auditor's report.

CASA LAKE COUNTY, INC.
STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Decrease in Net Assets	\$ (121,530)	\$ (47,449)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	9,770	9,436
Unrealized (Gains) on Investments	(11,387)	(7,376)
Realized Losses on Disposal of Equipment	-	1,133
(Increase) Decrease in Operating Assets:		
Accounts Receivable	(5,357)	(1,430)
Unconditional Promises to Give	(31,324)	55,422
Prepaid Expenses	67	1,802
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	2,606	(42,844)
Deferred Revenue	<u>(10,000)</u>	<u>(30,000)</u>
NET CASH USED BY OPERATING ACTIVITIES	\$ (167,155)	\$ (61,306)
CASH FLOWS FROM INVESTING ACTIVITIES:		
(Increase) Decrease in Investments	\$ (462)	\$ (6,157)
(Purchases) Disposals of Property and Equipment	<u>(342)</u>	<u>(28,834)</u>
NET CASH USED BY INVESTING ACTIVITIES	\$ (804)	\$ (34,991)
CASH FLOWS FROM FINANCING ACTIVITIES	\$ -	\$ -
NET DECREASE IN CASH	\$ (167,959)	\$ (96,297)
CASH, BEGINNING OF YEAR	<u>630,169</u>	<u>726,466</u>
CASH, END OF YEAR	<u>\$ 462,210</u>	<u>\$ 630,169</u>
Supplemental Information:		
Income Taxes Paid	\$ -	\$ -
Interest Paid	\$ -	\$ -

See accompanying notes and independent auditor's report.

**CASA LAKE COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012**

1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

CASA Lake County, Inc. (Organization) was incorporated under the laws of Illinois in October 1993, as a non-for-profit corporation for the purpose of training volunteers to represent abused and neglected children in the Lake County Juvenile Court System.

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.

Cash and Cash Equivalents

For 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.

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.

Estimates

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

Investments

Investments in equity securities and certificates of deposit are stated at fair market value. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

Property and Equipment

It is the Organization's policy to capitalize property and equipment more than \$500. Lesser amounts are expensed. Purchased property and equipment are capitalized at cost. Donations for property and

equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support 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 the useful lives of the assets as follows:

Office Equipment	5-10 years
Furniture and Fixtures	5-10 years

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

The Organization recorded \$45,000 and \$13,676 of grants and contributions as Unconditional Promises to Give as of June 30, 2013 and 2012, respectfully.

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.

Expense Allocations

The costs of providing program and supporting services have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, costs have been allocated between the Organization's program and the supporting services in a direct functional method, when applicable, and on the basis of proportional use of the service provided.

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by individuals possessing those skills, and would typically need to be purchased by the Organization. Donated services are recorded at their fair values in the year received. Donated services of \$752 were recorded on the Statement of Activities as contribution revenue and professional fee expenses for the fiscal year ended June 30, 2013.

2. CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash balances in five financial institutions. The cash balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. The cash balances did not exceed the insured limits during the fiscal years ended June 30, 2013 and 2012.

3. INVESTMENTS

The Organization has short-term investments in certificates of deposits and equity securities, which are carried at the quoted market value.

These investments include the following at June 30:

	<u>2013</u>	<u>2012</u>
Certificates of Deposit		
Due 1/17/15, 0.85%	\$ 63,198	\$ 62,620
Due 5/20/14, 1.29%	74,365	73,744
Due 5/29/14, 3.0%	<u>56,533</u>	<u>54,851</u>
	\$ 194,096	\$ 191,215
Equity Securities	<u>52,997</u>	<u>44,029</u>
Total Investments	<u>\$ 247,093</u>	<u>\$ 235,244</u>

The investment income and changes in market value have been included in the Statements of Activities of \$17,404 and \$7,376 for the fiscal years ended June 30, 2013 and 2012 respectively.

4. FAIR VALUE MEASUREMENTS

Fair values of assets measured on a recurring basis as of June 30, 2013 were as follows:

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Certificates of Deposit	\$ 194,096	\$ 194,096	\$ -	\$ -
Equity Securities	<u>52,997</u>	<u>52,997</u>	<u>-</u>	<u>-</u>
	<u>\$ 247,093</u>	<u>\$ 247,093</u>	<u>\$ -</u>	<u>\$ -</u>

Fair values of assets measured on a recurring basis as of June 30, 2012 were as follows:

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Certificates of Deposit	\$ 191,215	\$ 191,215	\$ -	\$ -
Equity Securities	<u>44,029</u>	<u>44,029</u>	<u>-</u>	<u>-</u>
	<u>\$ 235,244</u>	<u>\$ 235,244</u>	<u>\$ -</u>	<u>\$ -</u>

Fair values for these investments are determined by reference to quoted market prices and other relevant information generated by market transactions.

5. LEASE COMMITMENT

CASA Lake County entered into a lease agreement for office space for a five-year term in April 2011, at a monthly rental of \$4,000. The Organization is responsible for utilities expense, landscaping and snow removal and security under this agreement. The lease agreement included an option to purchase the real estate and other personal property of the Landlord at any time on or before April 15, 2013. Subsequent to June 30, 2013, the lessor notified the Organization that the option to purchase has been withdrawn.

Minimum future rental payments under the office operating lease are:

Fiscal Year Ending	Amount
June 30, 2014	\$ 48,000
June 30, 2015	48,000
June 30, 2016	<u>36,000</u>
	<u>\$ 132,000</u>

Rent expense for the fiscal years ended June 30, 2013 and 2012, was \$48,000.

6. DONATED GOODS

During the fiscal year ended June 30, 2012, the Organization received \$20,925 in donated office furniture. These contributions have been recorded in contributions revenues and as furniture and fixtures on the Statement of Financial Position.

7. EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through January 22, 2014, the date which the financial statements were available to be issued.

**INDEPENDENT AUDITOR'S REPORT
ON FINANCIAL INFORMATION**

January 22, 2014

To the Board of Directors of
CASA Lake County, Inc.

We have audited the financial statements of CASA Lake County, Inc. as of and for the fiscal year ended June 30, 2013, and have issued our report thereon dated January 22, 2014, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The schedules of public support are presented for the purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



CHERYL ROHLFIS & ASSOCIATES, LTD.
Northbrook, Illinois

CASA LAKE COUNTY, INC.
SCHEDULES OF PUBLIC SUPPORT
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
UNITED WAY, CONTRIBUTIONS AND OTHER GRANTS:		
National CASA	\$ 3,300	\$ 52,500
United Way	23,547	15,587
Astellas USA Foundation	10,000	25,000
Circle of Service	20,000	35,000
Trustmark Foundation	28,500	-
Church of the Holy Spirit	-	5,000
Jewish Federation of Metropolitan Chicago	10,000	-
Winnetka Congregational Church	6,000	5,000
John R. Houlsby Foundation	-	10,000
George M. Eisenberg Foundation for Charities	5,000	5,000
Abbott Laboratories Fund	-	40,000
Takeda Pharmaceutical Products, Inc.	28,800	-
Baxter International Inc.	-	25,000
Zurich American Insurance	-	7,500
Health Care Service Corporation	-	8,500
UL LLC	5,000	-
Blowitz-Ridgeway Foundation	10,000	10,000
McMaster-Carr Supply Company	5,000	-
Hospira Foundation	10,000	5,000
Lundbeck	-	25,000
Illinois Bar Foundation	5,000	5,000
Chicago Mercantile Exchange	-	5,000
The Dr. Phil Foundation	25,380	-
Cardinal Health Foundation	20,000	-
The Society of First Presbyterian Church of Lake Forest	10,000	-
Deluxe Corporation Foundation	-	5,000
Grace A. Bersted Foundation	25,000	20,000
AON Foundation	5,000	25,000
Motorola Mobility Foundation	-	5,000
CDW	-	5,000
Various Organizations, Foundations, Churches, and Individuals Contributions and Grants	<u>146,964</u>	<u>112,063</u>
Total Unrestricted	<u>\$ 402,491</u>	<u>\$ 456,150</u>

See accompanying notes and independent auditor's report.

CASA LAKE COUNTY, INC.
SCHEDULES OF PUBLIC SUPPORT (CONTINUED)
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
GRANTS FROM GOVERNMENTAL AGENCIES:		
City of Waukegan - Community Development Block Grant	\$ 6,000	\$ 6,000
Waukegan Township Grant	-	2,000
Lake County Community Development Block Grant	20,000	26,000
Libertyville Township Grant	4,000	3,050
State of Illinois Attorney General - Violent Crime Victims Assistance Act Grant	<u>9,450</u>	<u>9,405</u>
Total Unrestricted	<u>\$ 39,450</u>	<u>\$ 46,455</u>
SPECIAL EVENT SPONSORS AND CONTRIBUTORS:		
Abbott Labs Foundation	\$ -	\$ 10,000
Cisco Systems	5,000	-
Baxter Credit Union	10,000	-
Baxter International, Inc.	5,000	-
CDW	35,000	30,000
Service Net of CDW	3,000	3,000
Ogilvy and Mather	5,000	-
AON Foundation	20,000	22,500
Lundbeck Inc.	25,000	25,000
Takeda Pharmaceutical Products, Inc.	-	5,000
Underwriters Laboratories	20,000	15,000
Fifth Third Bank	-	5,000
Fortune Brands Home & Security	20,000	20,000
Illinois Tool Works, Inc.	8,000	5,000
Hewlett-Packard Tech.	20,000	10,000
Impact Sports, LLC	-	10,000
EMT	-	5,000
Other Individuals, Foundations and Companies	<u>59,100</u>	<u>35,750</u>
	<u>\$ 235,100</u>	<u>\$ 201,250</u>

See accompanying notes and independent auditor's report.

**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**

January 22, 2014

To the Board of Directors of
CASA Lake County, Inc.

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of CASA Lake County, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, and cash flows for the fiscal year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 22, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered CASA Lake County, 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 the CASA Lake County, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organizations's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether CASA Lake County, 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 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.



CHERYL ROHLFS & ASSOCIATES, LTD.
Northbrook, Illinois