

**CARING TO LOVE MINISTRIES, INC.****FINANCIAL STATEMENTS****For the Year Ended December 31, 2006**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 9/5/07

# TABLE OF CONTENTS

	Page
Independent Auditor's Report .....	1
<b>FINANCIAL STATEMENTS</b>	
Statement of Financial Position .....	3
Statement of Activities .....	4
Statement of Functional Expenses .....	5
Statement of Cash Flows .....	6
Notes to Financial Statements .....	7
<b>OMB CIRCULAR A-133 COMPLIANCE AND GOVERNMENT AUDITING STANDARDS REPORTS</b>	
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 <i>Government Auditing Standards</i> .....	12
Independent Auditor's Report On Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 .....	14
Schedule of the Expenditures of Federal Awards .....	16
Notes to Schedule of Expenditures of Federal Awards .....	17
Schedule of Findings and Questioned Costs .....	18
Summary Schedule of Prior Audit Findings and Questioned Costs .....	19
Corrective Action Plan .....	20

# REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS  
CONSULTANTS

A PROFESSIONAL CORPORATION

3501 N. Causeway Blvd. • Suite 810 • P.O. Box 6952 • Metairie, LA 70009  
Phone (504) 837-9116 • Fax (504) 837-0123 • E-mail rebowe@rebowe.com

## **INDEPENDENT AUDITOR'S REPORT**

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

We have audited the accompanying Statement of Financial Position of Caring to Love Ministries, Inc. (a non-profit organization) (the "Organization") as of December 31, 2006 and the related Statements of Activities, Functional Expenses and Cash Flows for the year then ended. These financial statements are the responsibility of the Organization's management. 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 and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above, present fairly, in all material respects, the financial position of Caring to Love Ministries, Inc. as of December 31, 2006, and the changes in net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2007 on our consideration of the Organization'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 controls 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* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Organization taken as a whole. The accompanying Schedule of Expenditures of Federal Awards on page 16 is presented for purposes of additional analysis as required by U.S. Office 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. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects in relation to the financial statements taken as a whole.

*Rebowe & Company*

June 18, 2007

## **FINANCIAL STATEMENTS**

**CARING TO LOVE MINISTRIES, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**December 31, 2006**

<b>Current Assets</b>	
Cash and cash equivalents	\$ 209,358
Grants receivable	312,538
Property and equipment, net	<u>278,145</u>
Total Current Assets	<u>800,041</u>
Total Assets	<u>\$ 800,041</u>
<b>Current Liabilities</b>	
Accounts payable	\$ 145,205
Accrued expenses	<u>11,459</u>
Total Current Liabilities	<u>156,664</u>
<b>Net Assets</b>	
Unrestricted	<u>643,377</u>
Total Net Assets	<u>643,377</u>
Total Liabilities and Net Assets	<u>\$ 800,041</u>

See accompanying notes to financial statements.

**CARING TO LOVE MINISTRIES, INC.**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2006**

Unrestricted Revenues and Support:	
Grant income	\$ 866,456
Contributions	163,790
Special events	91,430
Interest income	258
Other revenue	24,315
Total Unrestricted Revenues and Support	<u>1,146,249</u>
Expenses:	
Program Services	512,173
Support Services:	
Management and general	398,632
Fund raising	34,963
Total Expenses	<u>945,768</u>
Change in Net Assets	<u>200,481</u>
Net Assets, Beginning of Year	<u>442,896</u>
Net Assets, End of Year	<u><u>\$ 643,377</u></u>

See accompanying notes to financial statements.

**CARING TO LOVE MINISTRIES, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended December 31, 2006**

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total</u>
	FEMA & Life Choice Programs	Management and General	Fund Raising	
Salaries	\$ 76,212	\$ 61,550	\$ -	\$ 137,762
Employee benefits	2,501	2,048	-	4,549
Payroll taxes	5,016	4,104	-	9,120
Advertising	68,263	13,694	-	81,957
Auto	6,000	2,793	-	8,793
Bank charges	-	1,130	-	1,130
Special events	-	-	34,963	34,963
Benevolence	-	21,466	-	21,466
Contract labor	58,201	36,310	-	94,511
Executive Director/President	-	44,031	-	44,031
Donations	-	32,627	-	32,627
Education	16,752	665	-	17,417
Supplies	7,324	15,390	-	22,714
Insurance	3,151	19,741	-	22,892
Interest expense	-	387	-	387
Licenses and fees	-	380	-	380
Postage	1,421	6,689	-	8,110
Maintenance	-	7,175	-	7,175
Telephone	9,385	14,938	-	24,323
Travel	2,955	14,798	-	17,753
Printing	7,367	233	-	7,600
Occupancy	1,846	7,547	-	9,393
FEMA expenses	2,883	-	-	2,883
Accounting	8,540	-	-	8,540
Legal	-	-	-	-
Program services	230,089	-	-	230,089
Depreciation	-	24,413	-	24,413
Hurricane relief	-	46,657	-	46,657
Miscellaneous	4,267	19,866	-	24,133
	<u>\$ 512,173</u>	<u>\$ 398,632</u>	<u>\$ 34,963</u>	<u>\$ 945,768</u>

See accompanying notes to financial statements.

**CARING TO LOVE MINISTRIES, INC.**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended December 31, 2006**

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Change in net assets	\$ 200,481
Adjustments to reconcile the change in net assets to net cash provided by operating activities:	
Depreciation	24,413
(Increase) decrease in operating assets:	
Grants receivable	(312,538)
Increase (decrease) in operating liabilities:	
Accounts payable	144,143
Accrued expenses	<u>19,440</u>
 <b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	 <u>75,939</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Purchase of equipment and building improvements	<u>(17,752)</u>
 <b>NET CASH USED IN INVESTING ACTIVITIES</b>	 <u>(17,752)</u>
 <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	 58,187
 <b>CASH AND CASH EQUIVALENTS, beginning of year</b>	 <u>151,171</u>
 <b>CASH AND CASH EQUIVALENTS, end of year</b>	 <u>\$ 209,358</u>
 <b>SUPPLEMENTAL DATA:</b>	
Cash paid for interest	<u>\$ 387</u>

See accompanying notes to financial statements.

**CARING TO LOVE MINISTRIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2006**

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

**Organization**

Caring to Love Ministries, Inc. (the "Organization") was established in 1983 and is a 501(c)(3) non-profit, non-discriminatory organization with a voluntary Board of Directors. It 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**

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, 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.

**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.

**Contributions**

In accordance with SFAS No. 116, "Accounting for Contributions Received and Contributions Made", contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted supported depending on the existence or nature of any donor restrictions.

**CARING TO LOVE MINISTRIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2006**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(CONTINUED)**

**Expense Allocation**

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

**Income Tax Status**

The Organization is exempt from federal income tax under Section 501 (c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 190(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

**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 is depreciated using the straight-line method over the estimated useful lives of 5 to 30 years.

**Advertising**

Advertising costs are expensed as incurred.

**CARING TO LOVE MINISTRIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2006**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Estimates**

The preparation of financial statements in conformity with 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**

Grants receivable at year-end comprise of the following:

State of Louisiana            \$ 312,538

**NOTE 3 - PROPERTY AND EQUIPMENT**

At December 31, 2006, the costs and related accumulated depreciation of property and equipment consisted of the following:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>
Vehicle	\$ 11,252	\$ 1,125	\$ 10,127
Buildings and improvements	326,524	83,292	243,232
Equipment	51,729	32,119	19,610
Furniture and fixtures	8,626	3,450	5,176
Total	<u>\$ 398,131</u>	<u>\$ 119,986</u>	<u>\$ 278,145</u>

Depreciation expense for the year ended December 31, 2006 was \$24,413.

**CARING TO LOVE MINISTRIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2006**

**NOTE 4 - LEASE COMMITMENT**

On March 16, 1992, the Organization entered into a ninety-nine (99) year land lease. The rent to be paid by the Organization is \$100 per month. Rent expense was \$1,200 included in occupancy expense for the year ended December 31, 2006.

The future minimum lease payments are as follows:

December 31,	
2007	\$ 1,200
2008	1,200
2009	1,200
2010	1,200
2011	1,200
Thereafter	<u>105,900</u>
Total	<u>\$111,900</u>

**NOTE 5 - CONCENTRATION OF GRANTS**

The Organization receives the majority of its revenues from funds provided through various federal, state and private grants. During the year end December 31, 2006, approximately 75% of revenue was received from the Department of Social Services, TANF grant. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal, state and or local level the amount of funds the Organization receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Organization will receive during the next year.

**NOTE 6 - CONTINGENCIES**

The Organization receives a portion of its revenues from government grants and contracts, all of which are subject to audit by the governments. The ultimate determination of amounts received under these programs generally is based upon allowable cost 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 cost. Management is of the opinion that no material liability will result from such audits.

**CARING TO LOVE MINISTRIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2006**

**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 year and settlements have not exceeded coverage in the past three years.

**NOTE 8 - CONCENTRATION OF CREDIT RISK**

At December 31, 2006, the Organization had cash deposits in financial institutions totaling \$243,641, which exceeded federally insured limits by approximately \$143,000.

**NOTE 9 - BOARD OF DIRECTORS COMPENSATION**

The Board of Directors of Caring to Love Ministries, Inc. serves and directs the Organization on a voluntary basis. The Board does not receive compensation.

**OMB CIRCULAR A-133 COMPLIANCE AND GOVERNMENT  
AUDITING STANDARDS REPORTS**

# REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS  
CONSULTANTS

A PROFESSIONAL CORPORATION

3501 N. Causeway Blvd. • Suite 810 • P.O. Box 8952 • Metairie, LA 70009  
Phone (504) 837-9116 • Fax (504) 837-0123 • E-mail rebowe@rebowe.com

## **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***

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

We have audited the financial statements of the Caring to Love Ministries, Inc. (the "Organization"), as of and for the year ended December 31, 2006, and have issued our report thereon dated June 18, 2007. 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.

### Internal Control over Financial Reporting

In planning and performing our audit, we considered the Organization's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion of the effectiveness of the Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Organization's financial statements that is more than inconsequential will not be prevented or detected by the Organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Organization's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### 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*.

This report is intended solely for the information and use of management, the Board of Directors, the Legislative Auditor of the State of Louisiana, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statutes 24:513, this report is distributed by the Legislative Auditor as a public document.

*Reboue & Company*

June 18, 2007

# REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS  
CONSULTANTS

A PROFESSIONAL CORPORATION

3501 N. Causeway Blvd. • Suite 810 • P.O. Box 6962 • Metairie, LA 70009  
Phone (504) 837-9116 • Fax (504) 837-0123 • E-mail rebowe@rebowe.com

## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

### Compliance

We have audited the compliance of Caring to Love Ministries, Inc. (the "Organization"), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2006. The Organization's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Organization's management. Our responsibility is to express an opinion on the Organization's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Organization's compliance with those requirements.

In our opinion, the Organization complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2006.

## Internal Control Over Compliance

The management of the Organization is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Organization's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A control deficiency in the Organization's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Organization's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the Organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the Organization's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Directors, the Legislative Auditor of the State of Louisiana, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statutes 24:513, this report is distributed by the Legislative Auditor as a public document.

*Rebowe & Company*

June 18, 2007

**CARING TO LOVE MINISTRIES, INC**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year ended December 31, 2006**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass-Through Grant Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Health and Human Services</u>			
Passed-Through State Department of Social Services			
Temporary Assistance for Needy Families (TANF)	93.558	635086	<u>\$ 860,830</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND AND HUMAN SERVICES			<u>860,830</u>
<u>U.S. Department of Homeland Security</u>			
Passed-Through the State Department of Federal Emergency Management Agency			
Emergency Food and Shelter Program	97.024	361400-009	<u>3,326</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>3,326</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 864,156</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards.

**CARING TO LOVE MINISTRIES, INC.**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF**  
**FEDERAL AWARDS**  
**For the Year Ended December 31, 2006**

**NOTE A - BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Organization and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations".

**CARING TO LOVE MINISTRIES, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended December 31, 2006**

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

- The auditor's report expresses an unqualified opinion on the financial statements of Caring to Love Ministries, Inc. (the "Organization").
- No significant deficiencies in internal control over financial reporting 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 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 significant deficiencies relating to the audit of the major federal award programs are reported in the *Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133*.
- The auditor's report on compliance for the major federal award programs for the Organization expresses an unqualified opinion on all major federal programs.
- There were no findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133.
- A management letter was not issued for the year ended December 31, 2006.
- The program tested as a major program for the fiscal year ended December 31, 2006 was:

Department of Health and Human Services

Temporary Assistance for Needy Families (CFDA #93.558)

- The threshold for distinguishing between Type A and Type B programs was \$300,000.
- The Organization was determined to be a low-risk auditee.

**B. FINDINGS RELATED TO THE FINANCIAL STATEMENTS**

There were no findings related to the financial statements for the year ended December 31, 2006.

**C. FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS**

There were no findings related to federal awards for the year ended December 31, 2006.

**CARING TO LOVE MINISTRIES, INC.**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND**  
**QUESTIONED COSTS**  
**For the Year Ended December 31, 2006**

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

There were no findings related to the financial statements for the year ended December 31, 2005.

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

There were no findings related to federal awards for the year ended December 31, 2005.

**SECTION III - MANAGEMENT LETTER**

No management letter was issued for the year ended December 31, 2005.

**CARING TO LOVE MINISTRIES, INC.  
CORRECTIVE ACTION PLAN  
For the Year Ended December 31, 2006**

There were no findings for the year ended December 31, 2006, therefore, there is no corrective action plan from management.