



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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December 14, 2020

Board of Directors
Community Action of Southern Indiana, Inc.
1613 E. 8th Street
Jeffersonville, IN 47130

We have reviewed the audit report of Community Action of Southern Indiana, Inc., which was opined upon by Deming, Malone, Livesay & Ostroff, Independent Public Accountants, for the period April 1, 2017 to March 31, 2018. Per the *Independent Auditors' Report* the financial statements included in the report present fairly the financial condition of Community Action of Southern Indiana, Inc. as of March 31, 2018 and the results of its operations for the period then ended, on the basis of accounting described in the report.

We call your attention to the finding in the report on pages 26-28. Please see the Schedule of Findings and Questioned Costs for complete details related to the finding. Management's Corrective Action Plan appears on page 31.

The audit report is filed with this letter in our office as a matter of public record.


Paul D. Joyce, CPA
State Examiner

**COMMUNITY ACTION OF
SOUTHERN INDIANA, INC.**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

Years Ended March 31, 2018 and 2017

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Independent Auditors' Report

To the Board of Directors
Community Action of Southern Indiana, Inc.
Jeffersonville, Indiana

Report on the Financial Statements

We have audited the accompanying financial statements of Community Action of Southern Indiana, Inc. (CASI) (a not-for-profit corporation), which comprise the statements of financial position as of March 31, 2018 and 2017, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 CASI as of March 31, 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.

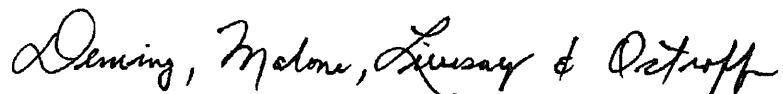
Other Matters

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The statements of revenue and expenses regarding the Head Start Programs on pages 17 and 18 are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards on pages 19 and 20, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is 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.

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 CASI'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 solely 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 effectiveness of CASI's 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 CASI's internal control over financial reporting and compliance.



Louisville, Kentucky
November 30, 2018

COMMUNITY ACTION OF SOUTHERN INDIANA, INC.

STATEMENTS OF FINANCIAL POSITION

March 31, 2018 and 2017

Assets	<u>2018</u>	<u>2017</u>
Cash	\$ 397,177	\$ 346,390
Grants receivable	664,151	596,775
Prepaid expenses and other	3,724	11,116
Property and equipment, net	<u>308,570</u>	<u>99,941</u>
Total assets	<u>\$ 1,373,622</u>	<u>\$ 1,054,222</u>
 Liabilities and Net Assets		
Accounts payable	\$ 422,514	\$ 357,046
Accrued expenses	<u>309,460</u>	<u>264,985</u>
Total liabilities	<u>731,974</u>	<u>622,031</u>
 Net Assets (Deficit)		
Unrestricted	191,051	(25,460)
Temporarily restricted	<u>450,597</u>	<u>457,651</u>
Total net assets	<u>641,648</u>	<u>432,191</u>
Total liabilities and net assets	<u>\$ 1,373,622</u>	<u>\$ 1,054,222</u>

See Notes to Financial Statements.

COMMUNITY ACTION OF SOUTHERN INDIANA, INC.

STATEMENTS OF ACTIVITIES
Years Ended March 31, 2018 and 2017

	2018		
	Unrestricted	Temporarily Restricted	Total
Revenues and other support			
Grants and contributions	\$ 7,965,560		\$ 7,965,560
In-kind contributions	831,816		831,816
Program and other income	51,893		51,893
Rental income	16,212		16,212
Fundraising	33,387		33,387
Revenues and other support	8,898,868		8,898,868
Net assets released from restriction	7,054	\$ (7,054)	
Total revenues and other support	8,905,922	(7,054)	8,898,868
Expenses			
Head Start	2,728,265		2,728,265
Child Education	597,870		597,870
Self-sufficiency	195,055		195,055
Housing assistance and rehabilitation	1,361,231		1,361,231
Energy assistance	2,199,793		2,199,793
Weatherization	458,865		458,865
Administrative and general	1,148,332		1,148,332
Total expenses	8,689,411		8,689,411
Increase (decrease) in total net assets	216,511	(7,054)	209,457
Net assets (deficit) - beginning of year	(25,460)	457,651	432,191
Net assets (deficit) - end of year	\$ 191,051	\$ 450,597	\$ 641,648

See Notes to Financial Statements.

2017

Unrestricted	Temporarily Restricted	Total
\$ 7,772,136		\$ 7,772,136
711,217		711,217
11,008		11,008
23,434		23,434
15,737		15,737
8,533,532		8,533,532
6,272	\$ (6,272)	
8,539,804	(6,272)	8,533,532
2,369,881		2,369,881
758,357		758,357
168,185		168,185
1,473,161		1,473,161
2,314,876		2,314,876
442,396		442,396
932,414		932,414
8,459,270		8,459,270
80,534	(6,272)	74,262
(105,994)	463,923	357,929
<u>\$ (25,460)</u>	<u>\$ 457,651</u>	<u>\$ 432,191</u>

COMMUNITY ACTION OF SOUTHERN INDIANA, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended March 31, 2018 and 2017

	2018								
	Head Start	Child Education	Self- Sufficiency	Housing Assistance & Rehabilitation	Energy Assistance	Weatherization	Program Total	Admin and General	Total
Salaries and benefits	\$ 1,513,289	\$ 373,976	\$ 130,290	\$ 79,666	\$ 318,820	\$ 138,206	\$ 2,554,247	\$ 747,064	\$ 3,301,311
Professional fees/services	58,546	12,189	21,608	1,452	18,452	3,265	115,512	68,699	184,211
Contracted services	2,702	1,038	2,025		12,802	278,288	296,855	22,224	319,079
Materials and supplies	54,383	10,680	9,551	2,048	8,039	1,931	86,632	73,223	159,855
Food and meals	145,616						145,616		145,616
Building rental and maintenance	107,863	12,893	4,776	988	7,921	4,856	139,297	31,169	170,466
Equipment rental and maintenance	18,076	5,908	109	412	3,733	2,956	31,194	13,707	44,901
Occupancy - utilities	3,930						3,930	77,636	81,566
Building and property insurance	25,688	6,329	1,697	959	3,597	5,162	43,432	9,329	52,761
Telephone	5,707	4,900	850	985	4,605	702	17,749	19,570	37,319
Postage	771	827	176	1,862	715	228	4,579	2,145	6,724
Public relations and printing	369	70	50		120	256	865	5,109	5,974
Travel and meetings	59,411	43,428	7,536	2,895	12,794	3,317	129,381	22,702	152,083
Dues and memberships	12,877	10,459	926	79	937	118	25,396	4,055	29,451
Direct assistance	2,394		15,321	1,269,885	1,807,258	19,580	3,114,438	13,729	3,128,167
Depreciation								33,409	33,409
Other expenses			140				140	4,562	4,702
In-kind expense	716,643	115,173					831,816		831,816
	<u>\$ 2,728,265</u>	<u>\$ 597,870</u>	<u>\$ 195,055</u>	<u>\$ 1,361,231</u>	<u>\$ 2,199,793</u>	<u>\$ 458,865</u>	<u>\$ 7,541,079</u>	<u>\$ 1,148,332</u>	<u>\$ 8,689,411</u>

2017

	Head Start	Child Education	Self-Sufficiency	Housing Assistance & Rehabilitation	Energy Assistance	Weatherization	Program Total	Admin and General	Total
Salaries and benefits	\$ 1,345,036	\$ 400,476	\$ 125,008	\$ 85,147	\$ 366,300	\$ 154,362	\$ 2,476,329	\$ 578,404	\$ 3,054,733
Professional fees/services	51,437	15,046	10,126	1,117	14,630	3,231	95,587	81,533	177,120
Contracted services	3,022	2,430	2,205		32,518	236,216	276,391	29,726	306,117
Materials and supplies	63,576	74,962	5,349	3,421	8,694	3,486	159,488	16,058	175,546
Food and meals	129,253		102				129,355		129,355
Building rental and maintenance	136,968	35,176	5,833	1,738	7,550	3,945	191,210	6,749	197,959
Equipment rental and maintenance	20,729	6,475	259	764	5,170	13,675	47,072	13,700	60,772
Occupancy - utilities	4,161						4,161	85,241	89,402
Building and property insurance	21,265	6,240	1,437	997	3,935	5,522	39,396	8,920	48,316
Telephone	4,407	4,139	1,105	1,055	4,602	1,130	16,438	9,136	25,574
Postage	923	524	319	2,879	868	361	5,874	952	6,826
Public relations and printing	2,088	697	780		966	513	5,044	11,830	16,874
Travel and meetings	39,161	21,507	6,401	2,899	9,217	3,017	82,202	7,638	89,840
Dues and memberships	7,485	18,077	1,110		646	798	28,116	9,662	37,778
Direct assistance	1,619	30	7,872	1,373,144	1,859,780	16,140	3,258,585	13,707	3,272,292
Depreciation								53,861	53,861
Other expenses	112		279				391	5,297	5,688
In-kind expense	538,639	172,578					711,217		711,217
	<u>\$ 2,369,881</u>	<u>\$ 758,357</u>	<u>\$ 168,185</u>	<u>\$ 1,473,161</u>	<u>\$ 2,314,876</u>	<u>\$ 442,396</u>	<u>\$ 7,526,856</u>	<u>\$ 932,414</u>	<u>\$ 8,459,270</u>

See Notes to Financial Statements.

COMMUNITY ACTION OF SOUTHERN INDIANA, INC.

STATEMENTS OF CASH FLOWS

Years Ended March 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash Flows from Operating Activities		
Cash received from contributions, grants, and others	\$ 7,999,674	\$ 7,491,279
Cash paid to clients, vendors, and employees	<u>(7,838,833)</u>	<u>(7,607,246)</u>
Net cash provided by (used in) operating activities	<u>160,841</u>	<u>(115,967)</u>
Cash Flows from Investing Activities		
Purchases of property and equipment	<u>(110,054)</u>	<u>(6,265)</u>
Net cash used in investing activities	<u>(110,054)</u>	<u>(6,265)</u>
Net increase (decrease) in cash	50,787	(122,232)
Cash, beginning of year	<u>346,390</u>	<u>468,622</u>
Cash, end of year	<u>\$ 397,177</u>	<u>\$ 346,390</u>

See Notes to Financial Statements.

	<u>2018</u>	<u>2017</u>
Reconciliation of Net Increase in Total Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Net increase in total net assets	<u>\$ 209,457</u>	<u>\$ 74,262</u>
Adjustments to reconcile net increase in total net assets to net cash provided by (used in) operating activities:		
Depreciation	33,409	53,861
Allowance for doubtful accounts		992
Change in assets and liabilities:		
(Increase) decrease in:		
Receivables	(67,376)	(217,429)
Prepaid expenses	7,392	(8,606)
Increase (decrease) in:		
Accounts payable	(66,516)	88,332
Accrued expenses	44,475	7,220
Deferred revenue		<u>(114,599)</u>
Total adjustments	<u>(48,616)</u>	<u>(190,229)</u>
Net cash provided by (used in) operating activities	<u><u>\$ 160,841</u></u>	<u><u>\$ (115,967)</u></u>
Supplemental Disclosure:		
Purchase of leasehold improvements in accounts payable	<u><u>\$ 131,983</u></u>	

COMMUNITY ACTION OF SOUTHERN INDIANA, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Nature of operations:

Community Action of Southern Indiana, Inc. (CASI) was established in 1965 to develop and provide resources for the purpose of assisting low-income individuals through a variety of programs in Clark, Floyd, and Harrison counties in Indiana.

During the years ended March 31, 2018 and 2017, CASI was actively involved in:

- Head Start
- Child Education
- Self-Sufficiency
- Housing Assistance and Rehabilitation
- Energy Assistance
- Weatherization

CASI receives funding from many organizations, but its primary sources of revenue are state and federal government grants.

Summary of significant accounting policies:

This summary of significant accounting policies of CASI is presented to assist in understanding CASI's financial statements. The financial statements are representations of CASI's management who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTES TO FINANCIAL STATEMENTS

Cash:

For purposes of the statements of cash flows, CASI considers all unrestricted and undesignated cash to be cash.

Grants and loans receivables:

The valuation of receivables is based upon a detail analysis of past due accounts and the history of uncollectible accounts. Estimated uncollectible accounts increase the allowance for doubtful accounts, and when receivables are written off, the allowance for doubtful accounts is decreased. The loans receivable allowance account balance was approximately \$60,000 for each of the years ended March 31, 2018 and 2017. There was no allowance for grants receivable for each of the years ended March 31, 2018 and 2017.

Property and equipment:

Property and equipment in excess of \$5,000 are recorded at cost if purchased, or at fair value if donated. Gain or loss on retirements or disposition of assets is charged to operations, and respective costs and accumulated depreciation are eliminated from the accounts.

Depreciation is provided on the estimated useful lives of the assets using the straight-line method as follows:

	<u>Years</u>
Furniture and equipment	3-15
Vehicles	5
Leasehold improvements	15

Temporarily restricted net assets:

Temporarily restricted net assets are those whose uses by CASI have been limited by donors to a specific time-period or purpose. When the donor restriction expires, or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restriction. A donor restricted contribution is reported as an increase in unrestricted net assets if the restriction expires in the fiscal year in which the entire contribution is received.

NOTES TO FINANCIAL STATEMENTS

Compensated absences:

Employees of CASI are entitled to paid leave, including vacation and sick, depending on job classification, length of service, and other factors. It is impractical to estimate the amount of compensation for future sick leave and, accordingly, no liability has been recorded in the accompanying financial statements. CASI's policy is to recognize the costs of sick leave when actually paid to employees.

Donations other than cash:

Donations other than cash are recorded at their fair value as of the date of donation. Donated services must meet the specific expertise requirements and would normally have been purchased before they are recorded. Donations of long-lived assets with explicit restrictions that specify how the assets are to be used and donations of cash or other assets that must be used to acquire long-lived assets are reported as temporarily restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, CASI reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Income tax status:

CASI is exempt from federal, state, and local income taxes as a not-for-profit corporation as described under Internal Revenue Code Section 501(c)(3). CASI files informational tax returns in the U.S. federal and state of Indiana jurisdictions. However, income from certain activities not directly related to CASI's tax-exempt purpose may be subject to taxation as unrelated business income. Management does not believe that CASI had unrelated business income for the years ended March 31, 2018 and 2017. As of March 31, 2018 and 2017, CASI did not have any accrued interest or penalties related to income tax liabilities, and no interest or penalties have been charged to operations for the years then ended.

NOTES TO FINANCIAL STATEMENTS

Newly issued standards not yet effective:

The Financial Accounting Standards Board (FASB) has issued accounting standard No. 2016-14, *Presentation of Financial Statements of Not-for-profit Entities*, concerning changes on classifying net assets and preparation of financial statements. The standard is effective for years beginning after December 15, 2017.

The FASB has issued accounting standard No. 2014-09, *Revenue from Contracts with Customers*, concerning the accounting for revenue recognition. The standard is effective for years beginning after December 15, 2018.

The FASB has issued accounting standard No. 2016-02, *Leases*, concerning the accounting for leases. The standard is effective for years beginning after December 15, 2020.

CASI is evaluating the impact that adoption of these standards will have on future financial position and results of operations.

Subsequent events:

Subsequent events have been evaluated through November 30, 2018, which is the date the financial statements were available to be issued.

NOTES TO FINANCIAL STATEMENTS

Note 2. Grants Receivable and Revenue

CASI's grants receivable and related revenue collection activities for the years ended March 31, 2018 and 2017 consist of the following:

<u>Grantor/Program Title</u>	<u>Grants Receivable 3/31/17</u>	<u>Grant Revenue 3/31/18</u>	<u>Collections 3/31/18</u>	<u>Grants Receivable 3/31/18</u>
<i>U.S. Department of Agriculture</i>				
Child and Adult Care Food Program	\$ 10,008	\$ 141,369	\$ (123,645)	\$ 27,732
<i>U.S. Department of Energy</i>				
Weatherization Assistance		203,340	(138,842)	64,498
<i>HHS</i>				
CSBG	334,375	349,122	(630,244)	53,253
LIHEAP – energy assistance	35,236	2,012,772	(1,994,243)	53,765
Head Start	78,517	2,662,534	(2,406,456)	334,595
Early Head Start	132,773	581,748	(670,590)	43,931
LIHEAP – weatherization assistance		285,207	(254,760)	30,447
<i>State and Other Programs</i>				
Navigator – covering families of Indiana		68,337	(26,380)	41,957
Minority Health Initiative	<u>5,866</u>	<u>56,193</u>	<u>(48,086)</u>	<u>13,973</u>
Totals	<u>\$596,775</u>	<u>\$6,360,622</u>	<u>\$(6,293,246)</u>	<u>\$664,151</u>

NOTES TO FINANCIAL STATEMENTS

<u>Grantor/Program Title</u>	<u>Grants Receivable 3/31/16</u>	<u>Grant Revenue 3/31/17</u>	<u>Collections 3/31/17</u>	<u>Grants Receivable 3/31/17</u>
<i>U.S. Department of Agriculture</i>				
Child and Adult Care Food Program	\$ 11,797	\$ 137,099	\$ (138,888)	\$ 10,008
<i>U.S. Department of Energy</i>				
Weatherization Assistance	57,734	141,884	(199,618)	
<i>HHS</i>				
CSBG	41,074	334,375	(41,074)	334,375
LIHEAP – energy assistance	24,096	2,394,050	(2,382,910)	35,236
Head Start	128,417	2,171,094	(2,220,994)	78,517
Early Head Start	83,837	694,723	(645,787)	132,773
LIHEAP – weatherization assistance	23,381	295,133	(318,514)	
<i>State and Other Programs</i>				
State Energy Assistance - State		6,273	(6,273)	
State Energy Assistance - Healthy Homes	6,000		(6,000)	
Minority Healthy Initiative	<u>4,002</u>	<u>56,194</u>	<u>(54,330)</u>	<u>5,866</u>
Totals	<u>\$380,338</u>	<u>\$6,230,825</u>	<u>\$(6,014,388)</u>	<u>\$596,775</u>

Note 3. Loans Receivable

CASI operates a Micro-Loan grant program that provides loans to low-income business owners. The loans are to be repaid on an installment basis over various payment terms. Interest rates range from 6% to 8%. Repaid loans and interest are used by CASI for additional loans.

NOTES TO FINANCIAL STATEMENTS

Note 4. Property and Equipment, Net

CASI's property and equipment consisted of the following at March 31, 2018 and 2017:

	2018		
	Cost	Accumulated Depreciation	Net Book Value
Building improvements	\$ 681,558	\$591,831	\$ 89,727
Equipment	348,208	149,161	199,047
Vehicles	228,129	208,333	19,796
Total	<u>\$1,257,895</u>	<u>\$949,325</u>	<u>\$308,570</u>
	2017		
	Cost	Accumulated Depreciation	Net Book Value
Building improvements	\$ 609,336	\$583,834	\$25,502
Equipment	183,793	132,823	50,970
Vehicles	222,728	199,259	23,469
Total	<u>\$1,015,857</u>	<u>\$915,916</u>	<u>\$99,941</u>

Depreciation expense for the years ended March 31, 2018 and 2017 was \$33,409 and \$53,861, respectively.

Note 5. In-kind Contributions

The Head Start grant administered by CASI during the years ended March 31, 2018 and 2017 required CASI to attain minimum levels of matching funds. The majority of the matching funds consisted of "in-kind" donations of professional services and other tangible products. These matching funds totaled \$831,816 and \$711,217 for the years ended March 31, 2018 and 2017, respectively, and are included on the statements of activities.

NOTES TO FINANCIAL STATEMENTS

Note 6. Employee Retirement Plan

CASI offers a 401(k) retirement plan. Employees must have completed one year of full-time employment to be eligible. CASI contributes 1% of employee compensation for the year for all eligible participants. Contributions made by CASI for the years ended March 31, 2018 and 2017 were approximately \$21,000 and \$24,000, respectively.

Note 7. Leases

CASI leases its corporate office from the City of Jeffersonville, Indiana. Effective January 1, 2016, the lease was on a month-to-month basis with monthly rental payments of \$7,500 during negotiations. A new 10-year lease agreement was established in January 2017 with monthly lease payments of \$7,918 with annual 3% increases through December 31, 2026.

CASI entered into a lease agreement with Whalen Brothers on September 1, 2015 for classroom space for a term of 36 months with monthly lease payments of \$2,868. A new lease agreement was established in September 2018 with monthly lease payments of \$3,000 through August 31, 2022.

CASI entered into a lease agreement in December 2014 with the Greater Clark County School Corporation for an offsite Early Head Start program at Pleasant Ridge Elementary School with monthly rent payments of \$1,700 expiring in May 2019.

CASI leases its copiers. CASI entered into a lease agreement on November 19, 2013, with monthly rent payments of \$444 expiring in March 2019.

NOTES TO FINANCIAL STATEMENTS

Lease expense for the years ended March 31, 2018 and 2017 totaled approximately \$151,000 and \$150,000, respectively. Lease expense is included in equipment rental and maintenance on the statements of functional expenses.

Future minimum lease payments are as follows:

Year ending March 31, 2019	\$157,035
2020	137,104
2021	134,399
2022	134,399
2023	<u>113,399</u>
Total	<u>\$676,336</u>

Note 8. Changes in Temporarily Restricted Net Assets

Changes in temporarily restricted net assets during the years ended March 31, 2018 and 2017 were as follows:

<u>Restricted for</u>	<u>Balance</u> <u>3-31-17</u>	<u>Contributions</u>	<u>Released</u> <u>from</u> <u>Restrictions</u>	<u>Balance</u> <u>3-31-18</u>
PNC Foundation award	\$ 1,453			\$ 1,453
IDA bank account program	264,908		\$(7,054)	257,854
Grassroots scholarships	8,224			8,224
EDA program	21,797			21,797
Community Bank project	7,683			7,683
Microloan program	152,680			152,680
Other special projects	<u>906</u>	<u> </u>	<u> </u>	<u>906</u>
	<u>\$457,651</u>	<u> </u>	<u>\$(7,054)</u>	<u>\$450,597</u>

NOTES TO FINANCIAL STATEMENTS

<u>Restricted for</u>	<u>Balance</u> <u>3-31-16</u>	<u>Contributions</u>	<u>Released</u> <u>from</u> <u>Restrictions</u>	<u>Balance</u> <u>3-31-17</u>
PNC Foundation award	\$ 2,725		\$(1,272)	\$ 1,453
IDA bank account program	269,908		(5,000)	264,908
Grassroots scholarships	8,224			8,224
EDA program	21,797			21,797
Community Bank project	7,683			7,683
Microloan program	152,680			152,680
Other special projects	<u>906</u>	<u> </u>	<u> </u>	<u>906</u>
	<u>\$463,923</u>	<u> </u>	<u>\$(6,272)</u>	<u>\$457,651</u>

Note 9. Concentration of Cash

CASI maintains cash balances at several financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At March 31, 2018, CASI's uninsured cash balance totaled approximately \$50,000.

SUPPLEMENTARY INFORMATION

COMMUNITY ACTION OF SOUTHERN INDIANA, INC.

HEAD START PROGRAM

GRANT NO. 05CH8312/03

STATEMENTS OF REVENUE AND EXPENSES

Program Years Ended March 31, 2018 and 2017

	2018			
	Head Start Start Admin	Head Start PA 22	Head Start PA 20	Total
Revenue				
Grant award	\$ 99,477	\$ 2,534,690	\$ 28,367	\$ 2,662,534
Crusade grant		12,643		12,643
Child care food program		141,369		141,369
Miscellaneous income		200		200
In-kind contributions		716,643		716,643
Total revenue	<u>99,477</u>	<u>3,405,545</u>	<u>28,367</u>	<u>3,533,389</u>
Expenses				
Salaries and benefits	64,426	1,448,863		1,513,289
Professional fees/services	1,357	57,039	150	58,546
Contracted services		2,702		2,702
Materials and supplies	6,040	48,344		54,384
Food and meals	209	145,407		145,616
Building rental and maintenance	1,646	106,217		107,863
Equipment rental and maintenance		18,076		18,076
Occupancy - utilities		3,930		3,930
Building and property insurance	977	24,711		25,688
Telephone		5,707		5,707
Postage		771		771
Public relations and printing		369		369
Travel and meetings	92	34,854	24,465	59,411
Dues and memberships	70	9,055	3,752	12,877
In-kind expense		716,643		716,643
Health and disability expense		2,394		2,394
Corporate allocations	14,613	455,986		470,599
Main office allocations	10,047	324,477		334,524
Total expenses	<u>99,477</u>	<u>3,405,545</u>	<u>28,367</u>	<u>3,533,389</u>
Excess of revenue over expenses	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

2017

<u>Head Start Start Admin</u>	<u>Head Start PA 22</u>	<u>Head Start PA 20</u>	<u>Total</u>
\$ 107,810	\$ 2,066,306	\$ 28,363	\$ 2,202,479
	5,325		5,325
	137,099		137,099
	329		329
	<u>538,639</u>		<u>538,639</u>
<u>107,810</u>	<u>2,747,698</u>	<u>28,363</u>	<u>2,883,871</u>
69,599	1,275,437		1,345,036
1,165	49,446	827	51,438
	3,023		3,023
2,809	59,196	1,573	63,578
524	128,729		129,253
3,151	133,817		136,968
746	19,983		20,729
	4,161		4,161
963	20,302		21,265
	4,407		4,407
	920		920
	2,088		2,088
	13,738	25,423	39,161
	7,052	540	7,592
	<u>538,639</u>		<u>538,639</u>
	1,619		1,619
15,727	266,088		281,815
<u>13,126</u>	<u>219,053</u>		<u>232,179</u>
<u>107,810</u>	<u>2,747,698</u>	<u>28,363</u>	<u>2,883,871</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

COMMUNITY ACTION OF SOUTHERN INDIANA, INC.

**HEAD START PROGRAM
GRANT NO. 05CH8312/03
STATEMENTS OF REVENUE AND EXPENSES
Program Years Ended March 31, 2018 and 2017**

	2018			Total
	Early Head Start Admin	Early Head Start PA 22	Early Head Start PA 20	
Revenue				
Grant award	\$ 49,060	\$ 516,371	\$ 16,317	\$ 581,748
In-kind contributions		115,173		115,173
Total revenue	<u>49,060</u>	<u>631,544</u>	<u>16,317</u>	<u>696,921</u>
Expenses				
Salaries and benefits	37,922	336,054		373,976
Professional fees/services	960	11,229		12,189
Contracted services		1,038		1,038
Materials and supplies	1,038	9,313	329	10,680
Food and meals				
Building rental and maintenance		12,893		12,893
Equipment rental and maintenance		5,908		5,908
Occupancy - utilities				
Building and property insurance	549	5,780		6,329
Telephone	550	4,350		4,900
Postage		827		827
Public relations and printing		70		70
Travel and meetings		30,387	13,041	43,428
Dues and memberships	586	6,926	2,947	10,459
In-kind expense		115,173		115,173
Health and disability expense				
Corporate allocations	7,455	69,836		77,291
Main office allocations		21,760		21,760
Total expenses	<u>49,060</u>	<u>631,544</u>	<u>16,317</u>	<u>696,921</u>
Excess of revenue over expenses	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

2017

Early Head Start Admin	Early Head Start PA 22	Early Head Start PA 20	Total
\$ 49,017	\$ 629,241	\$ 16,465	\$ 694,723
	172,578		172,578
<u>49,017</u>	<u>801,819</u>	<u>16,465</u>	<u>867,301</u>
37,768	362,708		400,476
808	14,237		15,045
	2,430		2,430
265	72,540	2,156	74,961
			-
	34,296	880	35,176
	6,475		6,475
			-
534	5,706		6,240
556	3,584		4,140
	525		525
	697		697
	10,982	10,525	21,507
538	14,782	2,904	18,224
	172,578		172,578
	30		30
8,548	71,387		79,935
	28,862		28,862
<u>49,017</u>	<u>801,819</u>	<u>16,465</u>	<u>867,301</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

COMMUNITY ACTION OF SOUTHERN INDIANA, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended March 31, 2018

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Expenditures</u>
U.S. Department of Agriculture				
Indiana State Department of Health Child Care Food Program	10.558	1100020		\$ <u>141,369</u>
U.S. Department of Housing and Urban Development				
Indiana Housing and Community Development Authority Housing Choice Voucher Program	14.871			<u>1,389,968</u>
U.S. Department of Energy				
Indiana Housing and Community Development Authority Weatherization for Low Income Persons	81.042	WX-016-008		40,138
Weatherization for Low Income Persons	81.042	WX-017-008		<u>163,202</u>
				<u>203,340</u>
U.S. Department of Health and Human Services				
Head Start	93.600	05CH8312		2,662,534
Early Head Start	93.600			<u>581,748</u>
Total Head Start Cluster				<u>3,244,282</u>
Navigator Program	93.332	150265-01		97,150
Navigator Program	93.332	150265-02		<u>61,950</u>
Total Navigator Program				<u>159,100</u>
Indiana Housing and Community Development Authority Community Services Block Grant	93.569	CS-017-008	\$22,224	284,053
Community Services Block Grant	93.569	CS-018-008		<u>65,069</u>
Total Community Services Block Grants			<u>22,224</u>	<u>349,122</u>
Low-Income Home Energy Assistance	93.568	LI-017-008-3		634,898
	93.568	LI-018-008-3		1,377,874
	93.568	WL-017-008		191,662
	93.568	WL-018-008		<u>93,545</u>
Total Low-Income Home Energy Assistance				<u>2,297,979</u>
Total U.S. Department of Health and Human Services			<u>22,224</u>	<u>6,050,483</u>
Total expenditures of federal awards			<u>\$22,224</u>	<u>\$7,785,160</u>

The accompanying notes are an integral part of this schedule.

COMMUNITY ACTION OF SOUTHERN INDIANA, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended March 31, 2018

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of CASI under programs of the federal government for the year ended March 31, 2018. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of CASI, it is not intended to and does not present the financial position, changes in net assets, or cash flows of CASI.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. CASI has elected not to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.



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

To the Board of Directors
Community Action of Southern Indiana, Inc.
Jeffersonville, Indiana

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 Community Action of Southern Indiana, Inc. (CASI) (a not-for-profit corporation) which comprise the statement of financial position as of March 31, 2018, and the related statements of activities, functional expenses, and cash flows for the year 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 CASI'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 CASI's internal control. Accordingly, we do not express an opinion on the effectiveness of CASI'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 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; therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2018-001 that we consider to be a material weakness.

Compliance and Other Matters

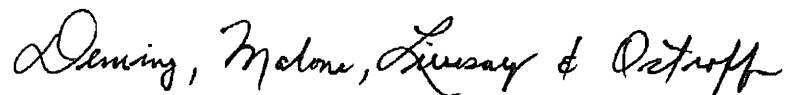
As part of obtaining reasonable assurance about whether CASI's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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*.

CASI's Response to Findings

CASI's response to the findings identified in our audit is described in the accompany schedule of findings and questioned costs. CASI's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.



Louisville, Kentucky
November 30, 2018



**Independent Auditors' Report on Compliance for Each Major Program
and on Internal Control Over Compliance Required by the Uniform Guidance**

To the Board of Directors
Community Action of Southern Indiana, Inc.
Jeffersonville, Indiana

Report on Compliance for Each Major Federal Program

We have audited CASI's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of CASI's major federal programs for the year ended March 31, 2018. CASI's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of CASI's major federal programs based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 CASI'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 on compliance for each major federal program. However, our audit does not provide a legal determination of CASI's compliance.

Opinion on Each Major Federal Programs

In our opinion, CASI complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2018.

Report on Internal Control Over Compliance

Management of CASI is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered CASI's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 CASI's internal control over compliance.

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

Our consideration of internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Deming, Malone, Linsay & Petroff

Louisville, Kentucky
November 30, 2018

COMMUNITY ACTION OF SOUTHERN INDIANA, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended March 31, 2018

Section I – Summary of Auditors’ Results

1. The auditors’ report expresses an unmodified opinion on whether the financial statements of CASI were prepared in accordance with GAAP.
2. Internal control over financial reporting:
 - Material weakness identified? X Yes No
 - Significant deficiency identified? Yes X None reported
3. No instances of noncompliance material to the financial statements of CASI which would be required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.
4. Internal control over major programs:
 - Material weakness identified? Yes X No
 - Significant deficiency identified? Yes X None reported
5. The auditors’ report on compliance for the major federal programs of CASI expresses an unmodified opinion on all major federal awards.
6. The audit disclosed no audit findings required to be reported in accordance with 2 CFR section 200.516(a).
7. The programs audited as major programs were:

Federal CFDA Number

Name of Major Federal Program

U.S. Department of Health and Human Services:

14.871

Section 8 Housing Choice Vouchers

93.600

Head Start and Early Head Start

8. The threshold used to distinguish between Type A and Type B programs was \$750,000.
9. Community Action of Southern Indiana, Inc. did not qualify as a low-risk auditee.

COMMUNITY ACTION OF SOUTHERN INDIANA, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended March 31, 2018

Section II – Financial Statement Findings

Finding No. 2018-001: Accounting and Financial Reporting Activities

Criteria: An organization should have adequately trained staff to accurately and timely record transactions in the accounting records, reconcile general ledger accounts, and prepare accurate interim financial reports for review by management.

Statement of Condition: Community Action of Southern Indiana, Inc. (CASI) has experienced a loss of accounting personnel throughout the year. As a result, there was a significant deterioration in CASI's ability to timely manage the accounting process and perform various normal routine accounting and financial reporting activities, including the ability to timely process accounting transactions; post transactions to the general ledger; reconcile general ledger account balances; and other related accounting and administrative duties as would be normally required in an efficient and accurate accounting and financial reporting system.

CASI, at a minimum, did keep current on certain basic accounting and administrative functions, including the payment of accounts payable, the processing of payroll, the billing for services, and the ongoing administration of the various programs and services, but CASI continued to lack the ability to reconcile general ledger accounts.

In early 2018, CASI hired additional accounting staff. Through their hard work, the accounting records have been substantially caught-up and reconciled in order to prepare for the audit of the financial statements for the year ended March 31, 2018, and the staff and management are diligently addressing and resolving current operational matters.

Cause of Condition: The inability of CASI to process and post accounting transactions and prepare timely, accurate financial reports was due loss of accounting staff and the inability to replace them in a timely manner.

COMMUNITY ACTION OF SOUTHERN INDIANA, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended March 31, 2018

Effect of Condition: The effect of the loss of a part of their accounting and administrative team prevented CASI from addressing many of the accounting and administrative aspects of the financial process and processing and posting transactions in the accounting records in a timely manner, and also prevented the reconciliation of general ledger accounts and more timely performance of the single audit.

Recommendation: CASI should continually evaluate the staffing level and training needs of its departments to insure adequate and qualified staffing. We noted that the organization has hired new accounting and administrative staff and has substantially caught up and reconciled its financial records.

Views of Responsible Officials: Management agrees with the finding and has been diligently working to implement the recommendation.

Section III – Federal Award Findings and Questioned Costs

There are no findings or questioned costs to be reported.

COMMUNITY ACTION OF SOUTHERN INDIANA, INC.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended March 31, 2018

Finding No. 2017-001: Accounting and Financial Reporting Activities

Criteria: An organization should have adequately trained staff in order to accurately and timely record transactions in the accounting records, reconcile general ledger accounts, and prepare accurate interim financial reports for review by management.

Statement of Condition: Community Action of Southern Indiana, Inc. (CASI) experienced a significant and unexpected loss throughout 2013 and 2014 of key management and administrative staff, including the former CEO and CFO. As a result, there was a significant deterioration in CASI's ability to timely manage the accounting process and perform various normal routine accounting and financial reporting activities, including the ability to timely process accounting transactions; post transactions to the general ledger; reconcile general ledger account balances; timely performance of single audit and other related accounting and administrative duties as would be normally required in an efficient and accurate accounting and financial reporting system.

CASI, at a minimum, did keep current on basic accounting and administrative functions, including the payment of accounts payable, the processing of payroll, the billing for services, and the ongoing administration of the various programs and services, but CASI continued to lack the ability to reconcile general ledger accounts and timely perform the single audit.

In late 2014, CASI hired a new CFO and CEO and during the following months, CASI was able to hire additional qualified managers and administrative staff. Through their hard work, the accounting records have been substantially caught up and reconciled in order to prepare for the audit of the financial statements for the years ended March 31, 2017, 2016 and 2015, and the staff and management are diligently addressing and resolving current operational matters.

Cause of Condition: The inability of CASI to process and post accounting transactions and prepare timely accurate financial reports was due to a significant loss of management and administrative staff and the inability to replace them in a timely manner.

Effect of Condition: The effect of the loss of a significant part of their management and administrative team prevented CASI from addressing many of the accounting and administrative aspects of the financial process and processing and posting transactions in the accounting records in a timely manner, and also prevented the reconciliation of general ledger accounts and timely performance of the single audit.

COMMUNITY ACTION OF SOUTHERN INDIANA, INC.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended March 31, 2018

Recommendation: CASI should continually evaluate the staffing level and training needs of its departments to insure adequate and qualified staffing. We noted that the organization has hired new management and administrative staff and has substantially caught up and reconciled its financial records.

Current Status: Management is in the process of implementation.

Department of Health and Human Services

Finding No. 2017-002: Community Service Block Grant, CFDA 93.569 and Head Start and Early Head Start Program, CFDA 93.600

Criteria: In accordance with the contract agreements and the Uniform Guidance, the Data Collection Form is required to be filed within nine months after year end.

Statement of Condition: Data Collection Form was not filed within nine months after year end.

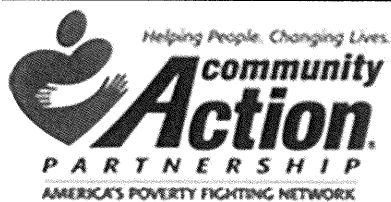
Cause of Condition: CASI delayed the audit due to lack of staffing and the inability to provide audit documentation on a timely basis.

Effect of Condition: CASI did not meet the requirement of timely filing the Data Collection Form; therefore, their subsequent audit will not be considered a low-risk audit.

Recommendation: CASI should complete the Data Collection Form within the requirements set forth by the Uniform Guidance.

Current Status: Management has implemented recommendation.

Community Action of Southern Indiana, Inc.



COMMUNITY ACTION OF SOUTHERN INDIANA, INC.

CORRECTIVE ACTION PLAN

Year Ended March 31, 2018

U.S. Department of Health and Human Services:

Community Action of Southern Indiana, Inc. (CASI) respectfully submits the following **corrective action plan** for the year ended March 31, 2018.

Independent public accounting firm:

Deming, Malone, Livesay & Ostroff
9300 Shelbyville Road, Suite 1100
Louisville, Kentucky 40222

Audit Period: Year ended March 31, 2018

The findings from the March 31, 2018 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

Finding – Financial Statement Audit

Material Weakness

Finding 2018-001:

Recommendation: CASI should continually evaluate the staffing needs of its accounting and administrative departments to ensure adequate staffing.

Action Taken: CASI has evaluated the staffing needs of its accounting and administrative departments and based on our evaluation we have hired several full-time accounting and administrative staff to ensure our staffing is adequate to perform timely reconciliations and reporting of financial information. We have also begun cross-training our staff in the event of any future staff losses.

Sincerely yours,

Phil Ellis
Executive Director
Community Action of Southern Indiana, Inc.