ROBERT L. EDSTROM,
CERTIFIED PUBLIC ACCOUNTANT,
PROFESSIONAL ASSOCIATION

Member American Institute of Certified Public Accountants and Arkansas Society of C.P.A.'s

June 17, 2016

To the Board of Directors
Northeast Texas CASA, Inc
Texarkana, Arkansas

In planning and performing my audit of the financial statements of the Northeast Texas CASA, Inc. as of and for the year ended December 31, 2015 in accordance with auditing standards generally accepted in the United States of America, I considered CASA's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CASA's internal control. Accordingly, I do not express an opinion on the effectiveness of CASA'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 a misstatement 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.

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

This communication is intended solely for the information and use of management and the Board of Directors and is not intended to be and should not be used by anyone other than these specified parties.

Robert L. Edstrom, CPA

115 E. McNeil, P.O. Box 672, Magnolia, AR 71754-0672
Telephone (870) 234-7611 * Fax (870) 234-8529

ROBERT L. EDSTROM,
CERTIFIED PUBLIC ACCOUNTANT,
PROFESSIONAL ASSOCIATION

Member American Institute of Certified Public Accountants and Arkansas Society of C.P.A.'s

June 17, 2016

To Board of Directors of
Northeast Texas CASA, Inc.

I have audited the financial statements of Northeast Texas CASA, Inc. for the years ended December 31, 2015 and 2014, and have issued my report thereon dated June 17, 2016. Professional standards require that I provide you with information about my responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of my audit. I have communicated such information in my engagement letter to you dated June 8, 2016 and in our meeting about planning matters on June 13, 2016. Professional standards also require that I communicate to you the following information related to my audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Northeast Texas CASA, Inc. are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2015. I noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period. The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

I encountered no significant difficulties in dealing with management in performing and completing my audit.

Corrected and Uncorrected Misstatements

Professional standards require me to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following material misstatements detected as a result of audit procedures were corrected by management:

Grants receivable and accounts receivable were adjusted to its balance at December 31, 2015 and 2014.

Accounts payable was adjusted to its balance at December 31, 2015 and 2014.

Gain on sale of fixed assets at December 31, 2014 was adjusted.

Depreciation expense for the year was recorded for both years.

115 E. McNeil, P.O. Box 672, Magnolia, AR 71754-0672
Telephone (870) 234-7611 * Fax (870) 234-8529

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to my satisfaction, that could be significant to the financial statements or the auditor's report. I am pleased to report that no such disagreements arose during the course of my audit.

Management Representations

I have requested certain representations from management that are included in the management representation letter dated June 17, 2016.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, my professional standards require the consulting accountant to check with me to determine that the consultant has all the relevant facts. To my knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

I generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditor. However, these discussions occurred in the normal course of our professional relationship and my responses were not a condition to my retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, I made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to my audit of the financial statements. I compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Directors and management of Northeast Texas CASA, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

Robert L. Edstrom, CPA

NORTHEAST TEXAS CASA, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2015 and 2014

CONTENTS

	Page
Independent Auditor's Report	1-2
Financial Statements	
Statement of Financial Position	3
Statement of Activities and Changes in Net Assets	4
Statement of Functional Expenses	5-6
Statement of Cash Flows	7
Notes to Financial Statements	8-10
Supplemental Information	
Statement of Grant Income and Expenses	11-13

ROBERT L. EDSTROM,
CERTIFIED PUBLIC ACCOUNTANT,
PROFESSIONAL ASSOCIATION

Member American Institute of Certified Public Accountants and Arkansas Society of C.P.A.'s

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Northeast Texas CASA, Inc.
Texarkana, Arkansas

I have audited the financial statements described in the table of contents of Northeast Texas CASA, Inc., ("CASA") (a non-profit organization) as of December 31, 2015 and 2014, and for the years then ended. I have also audited the accompanying supplemental information, the Statement of Grant Income and Expenses, for the years ended December 31, 2015 and 2014.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements and supplemental schedule 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

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

115 E. McNeil, P.O. Box 672, Magnolia, AR 71754-0672
Telephone (870) 234-7611 * Fax (870) 234-8529

Opinion

In my opinion, the financial statements and supplemental information referred to above present fairly, in all material respects, the financial position of Northeast Texas CASA, Inc. as of December 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Robert L. Edstrom, CPA, PA
June 17, 2016

FINANCIAL STATEMENTS

NORTHEAST TEXAS CASA, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2015 and 2014

	2015	2014
ASSETS		
Cash and Cash Equivalents	332,545	366,084
Accounts Receivable-Grants	88,358	44,976
Accounts Receivable-Pledges (Net of Allowance for Uncollectible Pledges of $2,000 in 2015 and $2,025 for 2014)	4,000	18,225
Accounts Receivable-Other	9,326	-
United Way Funding for the Next Fiscal Year	15,900	16,500
Prepaid Insurance	3,972	3,462
Property and Equipment	437,364	457,292
TOTAL ASSETS	891,465	906,539
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts Payable	18,472	10,885
Notes Payable	116,955	120,000
TOTAL LIABILITIES	135,427	130,885
Net Assets:		
Unrestricted	701,029	710,573
Temporarily Restricted	55,009	65,081
TOTAL NET ASSETS	756,038	775,654
TOTAL LIABILITIES AND NET ASSETS	891,465	906,539

The accompanying notes are an integral part of these financial statements.

NORTHEAST TEXAS CASA, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

UNRESTRICTED NET ASSETS	2015	2014
Unrestricted Revenues		
Grants	713,273	628,496
Contributions	69,510	85,859
Fund Raising-Bingo	561,827	572,038
Fund Raising-Other	140,764	151,132
Services	66,200	16,460
Other Income	1,149	3,348
Total Unrestricted Revenues and Other Support	1,552,723	1,457,333
Net Assets Released from Restrictions		
Grants - Expiration of Time Restriction	65,081	80,281
Expenses		
Program Services	830,395	704,225
Supporting Services		
Management and General	208,330	185,434
Fund-Raising	588,623	606,846
Total Expenses	1,627,348	1,496,505
Increase in Unrestricted Net Assets	(9,544)	41,109
TEMPORARILY RESTRICTED NET ASSETS		
Contributions and Grants	55,009	65,081
Net Assets Released from Restrictions		
Grants	(65,081)	(80,281)
Increase (Decrease) in Temporarily Restricted Net Assets	(10,072)	(15,200)
NET ASSETS AT BEGINNING OF YEAR	775,654	749,745
NET ASSETS AT END OF YEAR	756,038	775,654

The accompanying notes are an integral part of these financial statements.

NORTHEAST TEXAS CASA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015

	2015			
	Program Services	Management and General	Fund-Raising	Total Expense
Payroll Expense	591,040	122,957	9,088	723,085
Supplies	-	-	37,634	37,634
Conferences	22,991	-	-	22,991
Payroll Expense-Bingo	-	-	51,463	51,463
Rent-Bingo	-	-	74,800	74,800
Prize Fees-Bingo	-	-	18,140	18,140
Cost of Goods Sold-Bingo	-	-	11,887	11,887
Prizes-Bingo	-	-	357,131	357,131
Other Expenses-Bingo	-	-	25,145	25,145
Audit Expense	-	7,635	-	7,635
Repairs and Maintenance	19,567	4,069	302	23,938
Office Expenses	49,530	10,301	763	60,594
Travel	67,092	13,954	1,034	82,080
Insurance	15,189	3,159	234	18,582
Telephone	20,378	4,238	314	24,930
Utilities	14,376	2,990	222	17,588
Dues	-	14,545	-	14,545
Postage	1,938	403	30	2,371
Advertising	-	16,496	-	16,496
Interest Expense	-	1,698	-	1,698
Depreciation	28,294	5,885	436	34,615
Total	830,395	208,330	588,623	1,627,348

The accompanying notes are an integral part of these financial statements.

NORTHEAST TEXAS CASA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2014

	2014			
	Program Services	Management and General	Fund-Raising	Total Expense
Payroll Expense	514,925	113,669	8,752	637,346
Supplies	-	-	45,469	45,469
Conferences	3,852	-	-	3,852
Payroll Expense-Bingo	-	-	52,126	52,126
Rent-Bingo	-	-	69,275	69,275
Prize Fees-Bingo	-	-	18,827	18,827
Cost of Goods Sold-Bingo	-	-	12,396	12,396
Prizes-Bingo	-	-	359,691	359,691
Other Expenses-Bingo	-	-	30,128	30,128
Audit Expense	-	7,885	-	7,885
Repairs and Maintenance	20,945	4,622	358	25,925
Bad Debts	-	-	7,025	7,025
Office Expenses	37,833	8,350	646	46,829
Travel	48,167	10,630	823	59,620
Insurance	17,485	3,859	299	21,643
Telephone	17,839	3,937	305	22,081
Utilities	12,738	2,811	218	15,767
Dues	-	13,917	-	13,917
Postage	1,312	290	22	1,624
Advertising	-	4,186	-	4,186
Interest Expense	-	5,000	-	5,000
Contract Labor	682	-	-	682
Depreciation	28,447	6,278	486	35,211
Total	704,225	185,434	606,846	1,496,505

The accompanying notes are an integral part of these financial statements.

NORTHEAST TEXAS CASA, INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in Net Assets	(19,616)	25,909
Adjustments to Reconcile Increase in Net Cash Provided by Operating Activities:		
Depreciation	34,615	35,211
Gain on Sale of Assets	-	(752)
(Increase) Decrease in Operating Assets		
Accounts Receivable-Grants	(42,782)	14,041
Accounts Receivable-Pledges	14,225	12,025
Accounts Receivable-Other	(9,326)	3,940
Prepaid Insurance	(510)	(621)
Increase (Decrease) in Operating Liabilities		
Accounts Payable	7,587	5,164
Notes Payable	(3,045)	(106,943)
Net Cash from Operating Activities	(18,852)	(12,026)
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of Building and Land	-	50,000
Purchase of Equipment	(14,687)	(17,687)
Net Cash from Investing Activities	(14,687)	32,313
CASH FLOWS FROM FINANCING ACTIVITIES	-	-
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	(33,539)	20,287
CASH AND CASH EQUIVALENTS-BEGINNING OF YEAR	366,084	345,797
CASH AND CASH EQUIVALENTS-END OF YEAR	332,545	366,084
Interest Expense Paid During the Year	1,698	5,000

The accompanying notes are an integral part of these financial statements.

NORTHEAST TEXAS CASA, INC
Notes to Financial Statements
For the Years Ended December 31, 2015 and 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization - The Northeast Texas CASA, Inc.'s ("CASA") purpose is to operate an independent volunteer advocate service for children who are involved in the juvenile-family court system and are either in foster care, have been in foster care, are potentially a candidate for foster care, or are involved in a custody dispute in northeast Texas and southwest Arkansas. Additionally, the advocacy component of CASA aids in the investigation of child abuse cases. CASA is supported primarily through donor contributions, grants, and the United Way.

Promises to Give - Contributions are recognized when the donor makes a promise to give to CASA 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.

Cash and Cash Equivalents - Cash and cash equivalents consist of cash and highly liquid investments with a maturity date of three months or less. There were no investments at December 31, 2015 or 2014.

Property and Equipment and Depreciation - CASA capitalizes property and equipment over $1,000. Lesser amounts are expensed. Donations of property and equipment are recorded as contributions 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 contributions. Absent donor stipulations regarding how long those donated assets must be maintained, CASA reports expirations of donor restrictions when the donated or acquired assets are placed in service. CASA reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment purchased by CASA are recorded at cost at the date of acquisition. Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from five to thirty years.

Allocated Expenses - Expenses by function have been segregated between Program Services and Supporting Services based on direct identification or allocation based on related financial or non-financial data.

NORTHEAST TEXAS CASA, INC.
Notes to Financial Statements
For the Years Ended December 31, 2015 and 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Income Tax Status - CASA is a not-for-profit organization that is exempt from taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

Donated Services and Fixed Assets - CASA receives donated services from volunteers who provide their time for travel to and from court appearances, parental visitations, and various other meetings for the benefit of the child. These services have not been recorded as contributions-in-kind on the financial statements. In 2015 CASA received approximately 1,434 volunteer hours and valued them at $25,130. In 2014 CASA received approximately 1,802 volunteer hours and valued them at $31,323.

Estimates - The preparation of financial statements in conformity with the 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.

Contributions - Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence or nature of any donor restrictions.

NOTE 2 - EVALUATION OF SUBSEQUENT EVENTS

CASA has evaluated subsequent events for both 2015 and 2014 through June 17, 2016, the date on which the financial statements were available to be issued.

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	2015	2014
Land	52,000	52,000
Buildings	372,484	372,484
Furniture and equipment	248,979	249,904
	673,463	674,388
Accumulated depreciation	236,099	217,096
Property and Equipment	437,364	457,292

NOTE 4 - ACCOUNTS RECEIVABLE

CASA has accounts receivable from grants and pledges at December 31, 2015 and 2014. The amounts recorded as receivable from grants were collected in the following year. At December 31, 2015 the allowance for uncollectible pledges was $4,000. At December 31, 2014, the allowance for uncollectible pledges was $2,025.

NOTE 5 - NOTES PAYABLE

CASA has notes payable of $116,955 at December 31, 2015 and $120,000 at December 31, 2014 for the purchase of a building. They mature annually. They are secured by a mortgage on the building and a certificate of deposit with a value of $122,118 at December 31, 2015 and $121,509 at December 31, 2014. The certificate of deposit is grouped with other checking accounts and shown as cash on the statement of financial position.

NOTE 6 - CREDIT RISK

Financial instruments that potentially subject CASA to credit risk consist principally of cash at financial institutions and investments. Management continuously monitors CASA's balances at financial institutions and invests excess operating cash in short-term investments.

NOTE 10 - UNCERTAINTY IN INCOME TAXES

CASA adopted the provisions of FASB standard on *Accounting for Uncertainty in Income Taxes* (ASC 740-10-25), on January 1, 2009. Under this standard, an organization shall initially recognize the financial statement effects of a tax position when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. The implementation of this standard had no effect on CASA's financial statements. CASA does not believe there are any material uncertain tax positions and, accordingly, it will not recognize any liability for unrecognized tax benefits. For the years ended December 31, 2015 and 2014, there were no interest or penalties recorded or included in its financial statements.

SUPPLEMENTAL INFORMATION

NORTHEAST TEXAS CASA, INC.
STATEMENT OF GRANT INCOME AND EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	2014		
ARKANSAS VOCA GRANTS			
Grant Number	15108-15V	14108-14V	Total
Grant Income	43,364	13,977	57,341
Grant Expenses			
Salaries	31,957	10,628	42,585
Benefits	4,289	1,428	5,717
Travel	7,118	1,921	9,039
Total Grant Expenses	43,364	13,977	57,341

TEXAS VOCA GRANTS			
Grant Number	13713-15	13713-16	Total
Grant Income	32,407	17,994	50,401
Grant Expenses			
Personnel Cost	26,291	13,124	39,415
Utilities	-	-	-
Travel	6,116	4,870	10,986
Total Grant Expenses	32,407	17,994	50,401

TEXAS CASA GRANTS		Award		
	Grant #	Amount	Income	Expense
2013 Award	CVC-14-62	55,220	36,090	36,090
2014 Award	CVC-15-62	60,742	20,324	20,324
Total		115,962	56,414	56,414

The accompanying notes are an integral part of these financial statements.

NORTHEAST TEXAS CASA, INC.
STATEMENT OF GRANT INCOME AND EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015		
ARKANSAS VOCA GRANTS			
Grant Number	14108-14V	15108-15V	Total
Grant Income	42,601	15,650	58,251
Grant Expenses			
Salaries	30,811	11,694	42,505
Benefits	4,201	2,138	6,339
Travel	7,589	1,818	9,407
Total Grant Expenses	42,601	15,650	58,251

TEXAS VOCA GRANTS			
Grant Number	13713-16	13713-17	Total
Grant Income	30,505	20,742	51,247
Grant Expenses			
Personnel Cost	26,590	14,575	41,165
Travel	3,915	6,167	10,082
Total Grant Expenses	30,505	20,742	51,247

TEXAS CASA GRANTS		Award		
	Grant #	Amount	Income	Expense
2014 Award	CVC-15-62	60,742	40,418	40,418
2015 Award	CVC-16-62	80,483	25,684	25,684
Total		141,225	66,102	66,102

The accompanying notes are an integral part of these financial statements.

NORTHEAST TEXAS CASA, INC.
STATEMENT OF GRANT INCOME AND EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015	2014
GRANT INCOME		
AR Best	38,980	36,772
Arkansas CASA	59,531	53,955
CAC Texas	113,978	91,296
Christus Health	50,000	-
CSC	65,000	105,000
CSC-Nashville	40,000	-
NCA	9,000	9,000
NCAC	9,687	-
OVAG	27,439	41,432
PCIT	-	7,634
SWAPDD	-	50,000
Swalm CAC Texas	16,939	
Texas CASA	66,204	56,569
United Ways	31,800	33,000
VOCA-01	52,379	51,487
VOCA-02	58,252	57,341
VOCA-03	129,093	100,091
	768,282	693,577
Less: Temporarily Restricted		
United Ways	7,688	11,871
CSC	28,272	53,210
CSC-Nashville	19,049	-
	55,009	65,081
Unrestricted Income	713,273	628,496

The accompanying notes are an integral part of these financial statements.