

9118

**OFFICIAL  
FILE COPY**  
**DO NOT SEND OUT**  
(Xerox necessary  
copies from this  
copy and PLACE  
BACK in FILE)

**CALCASIEU WOMEN'S SHELTER**

**Financial Statements  
and Independent Auditors' Report**

**December 31, 1997  
(with comparative totals for 1996)**

**Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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** ~~APR 08 1998~~

**SCALISI, MYERS & WHITE (APC)  
LAKE CHARLES, LOUISIANA**

## CONTENTS

	PAGE
INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS	1
FINANCIAL STATEMENTS	
STATEMENT OF FINANCIAL POSITION	2-3
STATEMENT OF ACTIVITIES	4
STATEMENT OF FUNCTIONAL EXPENSES	5
STATEMENT OF CASH FLOWS	6
NOTES TO FINANCIAL STATEMENTS	7-11
SUPPLEMENTAL INFORMATION	
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <u>GOVERNMENT AUDITING     STANDARDS</u>	12-13
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON AN AUDIT OF THE BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <u>GOVERNMENT AUDITING STANDARDS</u>	14

# SCALISI, MYERS & WHITE (APC)

A Corporation of  
CERTIFIED PUBLIC ACCOUNTANTS  
P O Box 1445 / 411 IRIS STREET  
Lake Charles, Louisiana 70602  
(318) 436-6363 • FAX (318) 439-3055

LEO L. SCALISI, C P A  
H. DALE MYERS, JR., C P A, C V A  
LISA NOLEN WHITE, C P A

LEO A. "BUDDY" PARKER, JR., C P A

MEMBERS  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

To the Board of Directors  
Calcasieu Women's Shelter  
Lake Charles, Louisiana

We have audited the accompanying statement of financial position of Calcasieu Women's Shelter (a nonprofit organization) as of December 31, 1997, 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 audits.

We conducted our audit in accordance with generally accepted auditing standards and 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 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 Calcasieu Women's Shelter as of December 31, 1997, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated February 20, 1998 on our consideration of Calcasieu Women's Shelter's internal control structure and a report dated February 20, 1998 on its compliance with laws and regulations.

*Scalisi, Myers & White (APC)*

February 20, 1998

## LIABILITIES AND NET ASSETS

	<u>1997</u>	<u>1996</u> <u>(Memorandum Only)</u>
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 4,882	\$ 3,208
Interfund payable	63,337	27,939
Other accrued liabilities	456	506
Payroll taxes payable	<u>2,334</u>	<u>1,984</u>
Total current liabilities	71,009	33,637
 <b>NET ASSETS</b>		
Unrestricted net assets:		
Operations	276,297	234,318
Fixed assets	<u>487,568</u>	<u>513,429</u>
Total unrestricted net assets	763,865	747,747
Temporarily restricted net assets (Note G):		
Operations	29,287	12,657
Fixed assets	<u>10,516</u>	<u>9,437</u>
Total temporarily restricted net assets	<u>39,803</u>	<u>22,094</u>
Total net assets	<u>803,668</u>	<u>769,841</u>
Total liabilities and net assets	<u>\$ 874,677</u>	<u>\$ 803,478</u>

Calcasieu Women's Shelter  
STATEMENT OF ACTIVITIES  
December 31, 1997  
(with comparative totals for 1996)

	1997					1996
	Unrestricted		Temporarily Restricted		Total	Memorandum Only
	Operations	Fixed Assets	Operations	Fixed Assets		Total All Funds
<b>SUPPORT AND REVENUE</b>						
Support:						
Received directly -						
Contributions (Note E)	\$ 100,406	\$ 150	\$ 571	\$ 0	\$ 101,127	\$ 106,848
Special event (net of direct benefit cost)	<u>23,544</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>23,544</u>	<u>15,546</u>
Total received directly	123,950	150	571	0	124,671	122,394
Received indirectly -						
Allocated by United Way of Calcasieu Area, Inc.	<u>0</u>	<u>0</u>	<u>109,271</u>	<u>0</u>	<u>109,271</u>	<u>99,000</u>
Total support from the public	123,950	150	109,842	0	233,942	221,394
Grants from governmental agencies (Notes A-2 and F)	<u>0</u>	<u>0</u>	<u>432,684</u>	<u>0</u>	<u>432,684</u>	<u>273,946</u>
Total support	123,950	150	542,526	0	666,626	495,340
Revenue:						
Interest income	5,874	0	0	0	5,874	4,563
Loss on disposal of assets	<u>0</u>	<u>(137)</u>	<u>0</u>	<u>(58)</u>	<u>(195)</u>	<u>(333)</u>
Total revenue	5,874	(137)	0	(58)	5,679	4,230
Net assets released from restrictions:						
Satisfaction of donor restrictions	<u>18,798</u>	<u>0</u>	<u>(18,798)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total support and revenue	148,622	13	523,728	(58)	672,305	499,570
<b>EXPENSES:</b>						
Programs Services:						
Shelter, food and client needs (Note E)	60,342	26,374	253,428	3,097	343,241	255,804
Counseling	<u>5,641</u>	<u>0</u>	<u>142,538</u>	<u>0</u>	<u>148,179</u>	<u>115,106</u>
Total program services	65,983	26,374	395,966	3,097	491,420	370,910
Support Services:						
Management and general	<u>37,229</u>	<u>2,931</u>	<u>106,554</u>	<u>344</u>	<u>147,058</u>	<u>120,751</u>
Total expenses	<u>103,212</u>	<u>29,305</u>	<u>502,520</u>	<u>3,441</u>	<u>638,478</u>	<u>491,661</u>
Change in net assets before extraordinary item and capital additions	45,410	(29,292)	21,208	(3,499)	33,827	7,909
Capital additions	(3,431)	3,431	(4,578)	4,578	0	0
Extraordinary item - Legal settlement	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(5,000)</u>
Change in net assets	41,979	(25,861)	16,630	1,079	33,827	2,909
Net assets, beginning of year	<u>234,318</u>	<u>513,429</u>	<u>12,657</u>	<u>9,437</u>	<u>769,841</u>	<u>766,932</u>
<b>NET ASSETS END OF YEAR</b>	<u>\$ 276,297</u>	<u>\$ 487,568</u>	<u>\$ 29,287</u>	<u>\$ 10,516</u>	<u>\$ 803,668</u>	<u>\$ 769,841</u>

The accompanying notes are an integral part of this statement.

Calcasieu Women's Shelter

STATEMENT OF FUNCTIONAL EXPENSES

December 31, 1997  
(with comparative totals for 1996)

	1997			Supporting Services Management and General	Total Program and Supporting Services Expenses	1996	
	Program Services					Memorandum Only	Total Program and Supporting Services Expenses
	Shelter, Food and Client Needs	Counseling	Total				
Salaries	\$ 159,752	\$ 127,491	\$ 287,243	\$ 56,994	\$ 344,237	\$ 261,740	
Fringe (Note I)	25,923	20,688	46,611	9,248	55,859	37,286	
Client needs	45,678	0	45,678	0	45,678	42,014	
Dues and subscriptions	1,566	0	1,566	0	1,566	1,620	
Insurance	4,661	0	4,661	4,661	9,322	8,475	
Maintenance and repairs -							
Building and grounds	6,922	0	6,922	769	7,691	4,269	
Equipment	4,840	0	4,840	538	5,378	3,510	
Office supplies and expense	0	0	0	15,436	15,436	9,210	
Postage and box rent	363	0	363	3,268	3,631	3,672	
Professional services	0	0	0	13,590	13,590	9,095	
Rent	4,715	0	4,715	0	4,715	0	
Supplies	5,078	0	5,078	0	5,078	1,553	
Taxes and licenses	20	0	20	0	20	5	
Telephone	4,659	0	4,659	4,658	9,317	7,597	
Travel and conventions	10,650	0	10,650	10,649	21,299	15,226	
Utilities	16,843	0	16,843	1,872	18,715	16,644	
Volunteer services	22,100	0	22,100	22,100	44,200	35,135	
Total expenses before depreciation	313,770	148,179	461,949	143,783	605,732	457,051	
Depreciation of building and equipment (Note A-5)	29,471	0	29,471	3,275	32,746	34,610	
Total expenses	<u>\$ 343,241</u>	<u>\$ 148,179</u>	<u>\$ 491,420</u>	<u>\$ 147,058</u>	<u>\$ 638,478</u>	<u>\$ 491,661</u>	

The accompanying notes are an integral part of this statement.

Calcasieu Women's Shelter, Inc.  
Statement of Cash Flows  
For the year ended December 31, 1997

	<u>1997</u>	<u>1996</u> Memorandum Only
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from contributions and special events	\$ 64,688	\$ 70,834
Cash received from United Way	109,271	99,000
Cash received from governmental grants	388,243	283,811
Interest income received	5,312	4,563
Cash paid for operating expense	(543,471)	(404,549)
Cash paid for extraordinary item	<u>0</u>	<u>(30,000)</u>
Net cash provided by operating activities (Note J)	24,043	23,659
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Rent deposit paid	(450)	0
Purchase of equipment	(8,159)	(4,213)
Purchase of six month certificate of deposit	<u>(82,005)</u>	<u>0</u>
Net cash used in investing activities	<u>(90,614)</u>	<u>(4,213)</u>
Net increase (decrease) in cash	(66,571)	19,446
Cash and cash equivalents, beginning of period	<u>210,523</u>	<u>191,077</u>
Cash and cash equivalents, end of period	<u>\$ 143,952</u>	<u>\$ 210,523</u>

The accompanying notes are an integral part of this statement.

Calcasieu Women's Shelter

NOTES TO FINANCIAL STATEMENTS

December 31, 1997

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Nature of activities

Calcasieu Women's Shelter provides around the clock shelter and temporary lodging for victims of family violence and their children. Comprehensive counseling and supportive services are also provided.

2. Revenue recognition

Revenue from state and federal grants is recorded based on expenses incurred since these grants are on a cost reimbursement basis. The Shelter follows the practice of capitalizing all land, building and equipment acquired. Donated fixed assets are recorded at their estimated fair value; all other fixed assets are recorded at cost. The timing of recognition of restricted fund revenues may differ from the expenditure of such funds, thus revenues may be exceeded by expenses in certain years.

3. Income tax status

Calcasieu Women's Shelter was incorporated under the laws of the State of Louisiana on January 25, 1979. The corporation is operated exclusively for charitable and educational services and has qualified for the exemption from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code.

4. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's 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.

Calcasieu Women's Shelter

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 1997

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

5. Property and equipment

Property and equipment is stated at cost or fair market value at date of donation for in-kind contributions. Depreciation is provided over the estimated useful lives of the assets using the straight-line method. Depreciation amounted to \$32,746 and \$34,610 for the years ended December 31, 1997 and 1996, respectively, and is calculated on the straight-line method based on the estimated useful lives below:

Buildings	30 and 40 years
Works of art	Not depreciated
Furniture, fixtures and equipment	5 - 8 years

The organization follows the practice of capitalizing all property and equipment in excess of \$250.

6. Total Columns

Total columns are presented to facilitate financial analysis. Data in these columns do not present financial position and results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

NOTE B - FUNCTIONAL ALLOCATION OF EXPENSES

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

NOTE C - COMMODITIES INVENTORY

Commodities inventory is stated at cost as provided by the Louisiana Department of Agriculture.

Calcasieu Women's Shelter

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 1997

NOTE D - CHANGES IN PROPERTY AND EQUIPMENT

Property and equipment, beginning of period	\$ 685,154
Purchases of property and equipment - at cost	8,159
Disposition of property and equipment	<u>(3,981)</u>
Property and equipment, end of period	<u>\$ 689,332</u>

NOTE E - DONATED MATERIALS AND SERVICES

Included in contributions revenue and program expense is the estimated value of donated materials, equipment and volunteer hours of \$59,835 and \$52,230 for the years ended December 31, 1997 and 1996, respectively. Contributed services were used for shelter program activities and clerical activities.

NOTE F - GRANTS FROM GOVERNMENTAL AGENCIES

A summary of grants from governmental agencies during 1997 and 1996 are as follows:

Temporarily restricted - Operations:	<u>1997</u>	<u>1996</u>
I.O.L.T.A.	\$ 18,000	\$ 15,000
Louisiana Department of Health and Human Resources	229,100	164,097
Louisiana Commission on Law Enforcement	104,762	64,468
S.T.E.P.	10,750	6,404
United States Department of Health and Human Resources	56,860	15,707
United States Department of Agriculture	1,261	991
City of Lake Charles	<u>11,951</u>	<u>7,279</u>
	<u>\$ 432,684</u>	<u>\$ 273,946</u>

Calcasieu Women's Shelter

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 1997

NOTE G - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes or periods:

Program and supporting activities:	
Periods after December 31, 1997	\$ 29,287
Fixed assets restricted to program activities	<u>10,516</u>
Total temporarily restricted net assets	<u>\$ 39,803</u>

Net assets were released from donor restrictions by incurring expenses satisfying the purpose specified by donors as follows:

Purpose restriction accomplished	
Program and supporting activities	<u>\$ 18,798</u>

NOTE H - COMPENSATED ABSENCES

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

NOTE I - PENSION COSTS

The Calcasieu Women's Shelter has a defined contribution pension plan that covers all personnel who have completed one year of service consisting of at least 1,000 hours and are at least twenty-one years of age. Contributions to the plan were based on three percent of gross wages and amounted to \$7,177 and \$6,520 for the years ended December 31, 1997 and 1996, respectively.

Calcasieu Women's Shelter

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 1997

NOTE J - STATEMENTS OF CASH FLOWS

Reconciliation of change in net assets to net cash provided by operating activities.

	<u>1997</u>	<u>1996</u>
Change in net assets	\$ 33,827	\$ 2,909
Adjustments to reconcile net assets to net cash provided by operating activities:		
Depreciation	32,746	34,610
Loss on disposal of assets	195	333
Changes in assets and liabilities:		
Net (increase) decrease in:		
Grants receivable	(44,441)	9,865
Prepaid expense	92	(1,579)
Inventory	212	232
Accrued interest	(562)	0
Net increase (decrease) in:		
Accounts payable	1,674	1,537
Other accrued liabilities	(50)	506
Accrued payroll taxes	350	246
Contingency payable	<u>0</u>	<u>(25,000)</u>
	<u>(9,784)</u>	<u>20,750</u>
Net cash provided by operating activities	<u>\$ 24,043</u>	<u>\$ 23,659</u>

For purposes of the statement of cash flows, cash equivalents include all highly liquid debt instruments with original maturities of three months or less.

# SCALISI, MYERS & WHITE (APC)

A Corporation of  
CERTIFIED PUBLIC ACCOUNTANTS  
P O Box 1445 / 411 IRIS STREET  
Lake Charles, Louisiana 70602  
(318) 436-6363 • FAX (318) 439-3055

LEO L SCALISI, C P A  
H DALE MYERS, JR, C P A, C V A  
LISA NOLEN WHITE C P A

LEO A "BUDDY" PARKER, JR, C P A

MEMBERS  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors  
Calcasieu Women's Shelter  
Lake Charles, Louisiana

We have audited the financial statements of Calcasieu Women's Shelter (a nonprofit organization) as of and for the year ended December 31, 1997, and have issued our report thereon dated February 20, 1998

We conducted our audit in accordance with generally accepted auditing standards and 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.

The management of Calcasieu Women's Shelter is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that federal award programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of Calcasieu Women's Shelter for the year ended December 31, 1997; we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that in our judgment, could adversely affect the organizations ability to record, process, summarize, and report financial data in a manner that is consistent with the assertions of management in the financial statements.

We noted that several bank balances on the general ledger did not agree with the bank reconciliations. Some of these errors had existed for half of the year without being corrected.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions, and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described above is a material weakness.

We also noted other matters involving the internal control structure and its operation that we have reported to the management of Calcasieu Women's Shelter in a separate letter dated February 20, 1998.

This report is intended for the information of the board of directors, management, and the legislative auditor. However, this report is a matter of public record, and its distribution is not limited.

*Scalisi, Myers & White (APC)*

February 20, 1998

# SCALISI, MYERS & WHITE (APC)

A Corporation of  
CERTIFIED PUBLIC ACCOUNTANTS  
P O Box 1445 / 411 IRIS STREET  
Lake Charles, Louisiana 70602  
(318) 436-6363 • FAX (318) 439-3055

LEO L. SCALISI, C P A  
H. DALE MYERS, JR. C P A, C V A  
LISA NOLEN WHITE, C P A

LEO A. "BUDDY" PARKER, JR., C P A

MEMBERS  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors  
Calcasieu Women's Shelter  
Lake Charles, Louisiana

We have audited the financial statements of Calcasieu Women's Shelter (a nonprofit organization) as of and for the year ended December 31, 1997, and have issued our report thereon dated February 20, 1998.

We conducted our audit in accordance with generally accepted auditing standards and 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.

Compliance with laws, regulations, contracts and grants applicable to Calcasieu Women's Shelter is the responsibility of Calcasieu Women's Shelter's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of Calcasieu Women's Shelter's compliance with certain provisions of laws, regulations, contracts and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of the board of directors, management and the legislative auditor. However, this report is a matter of public record, and its distribution is not limited.

*Scalisi, Myers & White (APC)*

February 20, 1998

# SCALISI, MYERS & WHITE (APC)

A Corporation of  
CERTIFIED PUBLIC ACCOUNTANTS  
P O Box 1445 / 411 IRIS STREET  
Lake Charles, Louisiana 70602  
(318) 436-6363 • FAX (318) 439-3055

LEO L. SCALISI, C P A  
H. DALE MYERS, JR., C P A, C V A  
LISA NOLEN WHITE, C P A

LEO A. "BUDDY" PARKER, JR., C P A

MEMBERS  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

## MANAGEMENT LETTER

The Board of Directors  
Calcasieu Women's Shelter  
Lake Charles, Louisiana

We have audited the financial statements of Calcasieu Women's Shelter as of and for the year ended December 31, 1997, and have issued our report thereon dated February 25, 1998. As part of our audit, we made a study and evaluation of Calcasieu Women's Shelter's system of internal accounting control to the extent we considered necessary to evaluate the system as required by generally accepted auditing standards. The purpose of our study and evaluation was to determine the nature, timing and extent of the auditing procedures necessary for expressing an opinion on Calcasieu Women's Shelter's financial statements. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole.

The management of Calcasieu Women's Shelter is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

Because of the inherent limitations in any system of internal accounting control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

In our opinion, the system of internal accounting control of Calcasieu Women's Shelter was sufficient to meet the objectives stated above insofar as those objectives pertain to the prevention or detection of errors or irregularities in amounts that would be material in relation to the financial statements.

However, we did note several areas which we feel warrant comment.

We noted that several bank balances on the general ledger did not agree with the bank reconciliations. Some of the discrepancies had existed for six months. We recommend and management agrees that the general ledger must be adjusted monthly to agree with the bank reconciliations. Management has informed us that they are engaging a new CPA firm to assist with reviewing the monthly financial statements beginning in 1998.

We also noted that several bank overdraft charges were incurred in January, 1998. We believe this could have been avoided if the operating bank account was recorded in one general ledger account rather than split among multiple general ledger accounts as was done in 1997. We recommend and management agrees that the operating bank account will be recorded in one general ledger account for the rest of 1998.

We also noted that the Forms W-2 issued for 1997 did not reflect which employees participated in the pension plan. We recommend and management agrees that this needs to be done correctly in the future. Management believes that the change in CPA firms will alleviate this problem in the future.

These conditions were considered in determining the nature, timing and extent of the tests to be applied in our examination of the 1996 financial statements and this report does not affect our report on these financial statements dated February 20, 1998.

*Scalisi, Myers & White (APC)*

February 20, 1998