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**CALCASIEU ASSOCIATION FOR SOCIAL ENRICHMENT, INC.**

**FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITORS' REPORT**

**June 30, 2000**

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

Release Date 11-01-00

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## INDEPENDENT AUDITORS' REPORT

The Board of Directors of  
Calcasieu Association for Social  
Enrichment, Inc.

We have audited the accompanying statement of financial position of Calcasieu Association for Social Enrichment, Inc. (a non-profit organization) as of June 30, 2000, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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 Association for Social Enrichment, Inc. as of June 30, 2000, and the changes in its net assets and its cash flows 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 September 12, 2000, on our consideration of Calcasieu Association for Social Enrichment, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Lake Charles, LA  
September 12, 2000

Danell Manis

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors of  
Calcasieu Association for Social  
Enrichment, Inc.

We have audited the financial statements of Calcasieu Association for Social Enrichment, Inc. ( a non-profit organization) as of and for the year ended June 30, 2000, and have issued our report thereon dated September 12, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether Calcasieu Association for Social Enrichment, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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 that are required to be reported under *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Calcasieu Association for Social Enrichment, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. [However, we noted other matters involving the internal control over financial reporting, which we have reported to management of Calcasieu Association for Social Enrichment, Inc. in a separate letter dated September 12, 2000.]

This report is intended solely for the information of the audit committee, management, and others within the organization.

Lake Charles, Louisiana

*Daniel Morris*

**CALCASIEU ASSOCIATION FOR SOCIAL ENRICHMENT, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**June 30, 2000**

**ASSETS**

**Current Assets:**

Cash and cash equivalents	\$	4,710
Grant receivable		438
Prepaid insurance		906

<b>Total Current Assets</b>		<b>6,054</b>
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**Fixed Assets:**

Leasehold improvements	\$	7,415
Furniture and equipment		106,038
Vehicle		13,760
		<u>127,213</u>
Less: accumulated depreciation		<u>104,463</u>

22,750

**Utility deposits**

150

<b>TOTAL ASSETS</b>		<b><u><u>\$ 28,954</u></u></b>
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**LIABILITIES AND NET ASSETS**

**Current Liabilities:**

Accounts payable	\$	210
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**Net Assets:**

**Unrestricted net assets:**

Operations	\$	5,994
Fixed assets		22,750
		<u>28,744</u>

<b>Total unrestricted net assets/total net assets</b>		<b><u>28,744</u></b>
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<b>TOTAL LIABILITIES AND NET ASSETS</b>		<b><u><u>\$ 28,954</u></u></b>
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The accompanying notes are an integral part of these financial statements.

**CALCASIEU ASSOCIATION FOR SOCIAL ENRICHMENT, INC.**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2000**

	<b>Unrestricted</b>		
	<b>Operations</b>	<b>Fixed Assets</b>	<b>Total</b>
<b>SUPPORT AND REVENUE:</b>			
<b>Support:</b>			
Grants and contracts	\$ 140,300	\$ 1,450	\$ 141,750
Use of contributed facilities	33,600	0	33,600
<b>Total support</b>	<b>173,900</b>	<b>1,450</b>	<b>175,350</b>
<b>Revenue:</b>			
Interest income	508	0	508
<b>TOTAL SUPPORT AND REVENUE</b>	<b>174,408</b>	<b>1,450</b>	<b>175,858</b>
<b>EXPENSES:</b>			
<b>Program services:</b>			
Upward Bound Tutorial Program	120,054	11,143	131,197
<b>Supporting services:</b>			
General and administrative	53,917	1,238	55,155
<b>Total expenses</b>	<b>173,971</b>	<b>12,381</b>	<b>186,352</b>
<b>Change in net assets</b>	437	-10,931	-10,494
<b>Net assets, beginning of year</b>	<b>5,557</b>	<b>33,681</b>	<b>39,238</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 5,994</b>	<b>\$ 22,750</b>	<b>\$ 28,744</b>

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



**CALCASIEU ASSOCIATION FOR SOCIAL ENRICHMENT, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended June 30, 2000**

	<u>Program Services- Upward Bound Tutorial Program</u>	<u>General and Admin.</u>	<u>Total Expenses</u>
<b>Salaries</b>	<b>\$ 74,920</b>	<b>\$ 29,700</b>	<b>\$ 104,620</b>
<b>Payroll taxes</b>	<b>7,716</b>	<b>3,059</b>	<b>10,775</b>
<b>Workmen's comp. insurance</b>	<b>987</b>	<b>391</b>	<b>1,378</b>
<b>Total salaries and related expenses</b>	<b>83,623</b>	<b>33,150</b>	<b>116,773</b>
<b>Rent</b>	<b>26,880</b>	<b>6,720</b>	<b>33,600</b>
<b>Program materials</b>	<b>3,975</b>	<b>0</b>	<b>3,975</b>
<b>Telephone</b>	<b>0</b>	<b>2,033</b>	<b>2,033</b>
<b>Utilities</b>	<b>0</b>	<b>2,240</b>	<b>2,240</b>
<b>Office and postage</b>	<b>176</b>	<b>1,235</b>	<b>1,411</b>
<b>Building maintenance and supplies</b>	<b>484</b>	<b>121</b>	<b>605</b>
<b>Security</b>	<b>0</b>	<b>840</b>	<b>840</b>
<b>Insurance</b>	<b>0</b>	<b>1,915</b>	<b>1,915</b>
<b>Miscellaneous expenses</b>	<b>0</b>	<b>76</b>	<b>76</b>
<b>Auditing fees</b>	<b>0</b>	<b>3,500</b>	<b>3,500</b>
<b>Resource consultant</b>	<b>208</b>	<b>0</b>	<b>208</b>
<b>Student activities</b>	<b>1,192</b>	<b>0</b>	<b>1,192</b>
<b>Parent/other activities</b>	<b>1,450</b>	<b>0</b>	<b>1,450</b>
<b>Equipment repairs</b>	<b>0</b>	<b>1,105</b>	<b>1,105</b>
<b>Auto expense</b>	<b>1,673</b>	<b>0</b>	<b>1,673</b>
<b>Conferences/meetings</b>	<b>393</b>	<b>409</b>	<b>802</b>
<b>Loan fees</b>	<b>0</b>	<b>159</b>	<b>159</b>
<b>Interest expense</b>	<b>0</b>	<b>229</b>	<b>229</b>
<b>Penalties</b>	<b>0</b>	<b>185</b>	<b>185</b>
<b>Total expenses before depreciation</b>	<b>120,054</b>	<b>53,917</b>	<b>173,971</b>
<b>Depreciation of equipment, furniture and fixtures</b>	<b>11,143</b>	<b>1,238</b>	<b>12,381</b>
<b>Total expenses</b>	<b><u>\$ 131,197</u></b>	<b><u>\$ 55,155</u></b>	<b><u>\$ 186,352</u></b>

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

**CALCASIEU ASSOCIATION FOR SOCIAL ENRICHMENT, INC.**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended June 30, 2000**

**CASH FLOWS USED FOR OPERATING ACTIVITIES:**

<b>Change in net assets</b>	<b>\$ -10,494</b>
<b>Adjustments to reconcile change in net assets to net cash used for operating activities:</b>	
Depreciation	12,381
Increase in grant receivable	-438
Increase in prepaid insurance	-50
Decrease in accrued liabilities	<u>-3,155</u>
<b>Net cash used by operating activities</b>	<b>-1,756</b>

**CASH FLOWS USED FOR INVESTING ACTIVITIES:**

Purchase of equipment	<u>-1,450</u>
<b>Net decrease in cash and cash equivalents</b>	<b>-3,206</b>

CASH AND CASH EQUIVALENTS - JUNE 30, 1999	<u>7,916</u>
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CASH AND CASH EQUIVALENTS - JUNE 30, 2000	<u><u>\$ 4,710</u></u>
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**The accompanying notes are an integral part of these financial statement.**



**CALCASIEU ASSOCIATION FOR SOCIAL ENRICHMENT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2000**

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

**Nature of activities**

Calcasieu Association for Social Enrichment, Inc. is a not-for-profit community outreach program, providing services to primarily under-privileged children and youth. It offers assistance in training for disenfranchised youth, and supplementary and tutorial services for students who have trouble succeeding in the traditional classroom, and others who need assistance.

**Basis of accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

**Fixed Assets**

All expenditures for fixed assets are capitalized. Depreciation is computed by the straight-line method beginning in the year of acquisition, at rates based on the following estimated useful lives:

	<u>Years</u>
Leasehold improvements	10
Furniture and fixtures	10
Equipment	4-10

Depreciation expense for the year ended June 30, 2000, was \$12,381 and is reported as program and supporting services in the statement of activities.

Fixed assets acquired by Calcasieu Association for Social Enrichment, Inc. are considered to be owned by Calcasieu Association for Social Enrichment, Inc. However, State funding sources may maintain equitable interest in the property purchased with grant monies as well as the right to determine the use of any proceeds from the sale of these assets. The State has a reversionary interest in those assets purchased with its funds.

**CALCASIEU ASSOCIATION FOR SOCIAL ENRICHMENT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2000**

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

**Contributed Facilities**

Contributed facilities represents the estimated fair rental value of office and classroom space provided. Contributed facilities are provided under a lease contract with the Calcasieu Parish School Board whereby they are allowed free use of the facilities for the lease contract period from July 1, 1998, through June 30, 2003. The fair rental value of the contributed lease was \$33,600 for the year ended June 30, 2000.

**Income Taxes**

The organization is exempt from Federal income taxes under Internal Revenue Code Section 501(c)(3) and therefore has made no provision for Federal income taxes. They are considered to be a nonprivate foundation under the provisions IRC 170(b)(1)(A)(vi).

**Functional Allocation of Expenses**

The costs of providing the Organization's program and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.

**Cash Equivalents**

For purposes of the statement of cash flows, the organization considers all restricted cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

**Estimates**

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

**CALCASIEU ASSOCIATION FOR SOCIAL ENRICHMENT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2000**

**NOTE B - GRANTS AND CONTRACTS**

**Grant income represents the principle source of revenue for the Organization. Included in grant income is \$140,000 of funds contracted from the Louisiana Department of Education, and \$1,750 from the Louisiana Decentralized Arts Funding Program for the Upward Bound Tutorial Program. Management is not aware of any significant changes in funding levels in the future, but continuation of the grants is subject to availability of funds and legislature and other approvals.**

**DARRELL J. MORRIS**  
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(A Professional Corporation)  
LAKE CHARLES, LOUISIANA 70606

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**September 12, 2000**

**To the Executive Director  
The Board of Directors of  
Calcasieu Association for  
Social Enrichment, Inc.**

**In planning and performing our audit of the financial statements of Calcasieu Association for Social Enrichment, Inc. for the year ended June 30, 2000, we considered the Organization's internal control structure to plan our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.**

**However, during our audit, we noted certain matters involving the internal control structure and other operational matters that are presented for your consideration. This letter does not affect our report dated September 12, 2000, on the financial statements of Calcasieu Association for Social Enrichment, Inc.**

**We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control structure. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized as follows:**

**Organizational Structure**

**The size of the Organization's accounting and administrative staff precludes certain internal controls that would be preferred if the office staff were large enough to provide optimum segregation of duties. This situation dictates that the Board of Directors remain involved in the financial affairs of the Organization to provide oversight and independent review functions.**

**Executive Director**  
**Page 2**  
**September 12, 2000**

**We wish to thank the Executive Director and his office staff for their support and assistance during our audit.**

**This report is intended solely for the information and use of the Board of Directors, management, and others within the Organization.**

**Lake Charles, Louisiana**

*Darrell J. Morris*

**DARRELL J. MORRIS**  
**LAKE CHARLES, LOUISIANA**