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CERTIFIED PUBLIC ACCOUNTANT  
IN PROFESSION  
LAST CHECKED BY: [illegible]

REGISTERED ACCOUNTING ADVISOR

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

In planning and performing our audit of the financial statements of the Calcasieu Association for Social Enrichment, Inc. for the year ended June 30, 1997, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control. However, we noted certain matters involving internal control 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 internal control that, in our judgment, could adversely affect the Calcasieu Association for Social Enrichment, Inc.'s ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

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.

This report is intended solely for the information and use of the Calcasieu Association for Social Enrichment, Inc.'s board of directors, management, and others within the organization.

*David H. Murphy*

December 10, 1997

CALCIFIED ASSOCIATION FOR SOCIAL ENRICHMENT, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1987

NOTE C - PRIOR PERIOD ADJUSTMENT

Included in the total grant income for the year ended June 30, 1986, was \$22,000 which was an addendum to the original grant for that year; of that \$25,000 received, \$29,044 was used to buy equipment to be used in an outreach program at a local church. This amount, as disclosed in a note to the financial statements last year, was classified as an expense in the category "parent-other activities". In the current year, the organization learned that they were required to capitalize the assets on their depreciation schedule. Therefore, those assets have been included on the current year depreciation schedule, and the change noted as a "prior period adjustment" on the current year Statement of Activities.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1997

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

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 of 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 unrestricted 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.

## NOTE B - GRANTS

Grant income represents the principle source of revenue for the Organization. Included in grant income is \$183,087 of funds contracted from the Louisiana Department of Education, and \$1,473 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.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1997

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

	YEARS
Leasehold Improvements	10
Furniture and Fixtures	10
Equipment	4-10

Depreciation expense for the year ended June 30, 1997, was \$7,717 and is reported as program and supporting services in the statement of activities.

Fixed assets acquired by Calcascia Association for Social Enrichment, Inc. are considered to be owned by Calcascia 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.

Financial Statement Presentation

In 1996, the Organization adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 113, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows. As permitted by this new statement, the Organization has discontinued its use of fund accounting and has, accordingly, reclassified its financial statements to present the three classes of net assets required. This reclassification had no effect on the change in net assets for 1996.

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 Calcascia Parish school board whereby they are allowed free use of the facilities for the lease contract period from July 1, 1993, through June 30, 1998. The fair rental value of the contributed lease was \$13,400 for the year ended June 30, 1997.

CALCASIEU ASSOCIATION FOR SOCIAL ENRICHMENT, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 1997

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. They offer assistance in training for disenfranchised youth, and supplementary and tutorial services for students who have not succeeded in the traditional classroom, and others who need assistance.

Basis of presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets--Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets--Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets--Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.

Leasehold improvements, equipment, furniture and fixtures

All expenditures for leasehold improvements, equipment, furniture and fixtures 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:

## CALCAGINI ASSOCIATION FOR SOCIAL ENRICHMENT, INC.

## STATEMENT OF CASH FLOWS

For the Year Ended June 30, 1997

## CASH FLOWS USED FOR OPERATING ACTIVITIES:

Change in net assets	\$ ( 950)
Adjustments to reconcile change in net assets to net cash used for operating activities:	
Depreciation	7,317
Decrease in accounts receivable	60
Decrease in prepaid expenses	8
Increase in accrued liabilities	<u>4,589</u>

Net cash provided by operating activities 8,379

## CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of equipment	<u>( 3,358)</u>
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Net increase in cash and cash equivalents 2,924

CASH AND CASH EQUIVALENTS - JUNE 30, 1996 4,893

CASH AND CASH EQUIVALENTS - JUNE 30, 1997 \$ 7,412

## SUPPLEMENTARY DATA:

Interest paid	<u>\$ 0</u>
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The accompanying notes are an integral part of these financial statements.

## CALCISKI ASSOCIATION FOR SOCIAL ENRICHMENT, INC.

## STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 1997

	Program Services: Upward Bound Tutorial Program	General and Admin.	Total Expenses
Salaries	\$ 89,836	\$ 21,687	\$ 111,523
Payroll taxes	9,333	3,334	12,667
Workers's comp. insurance	728	183	911
Total salaries and related expenses	99,897	25,204	125,101
Rent	24,880	8,720	33,600
Program materials	3,600	-	3,600
Telephones	859	958	1,817
Utilities	2,603	289	2,892
Office and postage	-	848	848
Building maintenance and supplies	743	185	927
Security	873	168	1,041
Insurance	988	988	1,976
Miscellaneous expenses	36	-	36
Auditing fees	-	3,500	3,500
Resource consultant	400	-	400
Student activities	1,948	-	1,948
Parent/other activities	1,100	-	1,100
Equipment repairs	1,388	143	1,531
Local transportation	531	531	1,062
Auto expense	844	844	1,688
Total expenses before depreciation	144,867	39,378	184,245
Depreciation of equipment, furniture and fixtures	9,883	724	1,232
Total expenses	\$ 154,750	\$ 40,102	\$ 194,852

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

## CALCIFIED ASSOCIATION FOR SOCIAL ENRICHMENT, INC.

## STATEMENT OF ACTIVITIES

For The Year Ended June 30, 1997

	<u>Unrestricted</u>		
	Operations	Fixed Assets	Total
<b>SUPPORT AND REVENUE:</b>			
Support:			
Grants and contracts	\$ 158,765	\$ 3,788	\$ 162,553
Use of contributed facilities	<u>33,692</u>	<u>0</u>	<u>33,692</u>
Total support	192,457	3,788	196,245
Revenue:			
Interest income	<u>1,861</u>	<u>0</u>	<u>1,861</u>
Total support and revenue	194,318	3,788	198,106
<b>EXPENSES:</b>			
Program services:			
Upward Bound Tutorial Program	144,067	4,863	148,930
Supporting services:			
General and administrative	<u>39,275</u>	<u>374</u>	<u>39,649</u>
Total expenses	<u>183,342</u>	<u>5,237</u>	<u>188,579</u>
change in net assets	1,076	( 1,449)	( 373)
net assets, beginning of year	4,472	17,314	21,786
Prior period adjustment	<u>0</u>	<u>23,044</u>	<u>23,044</u>
net assets, end of year	<u>\$ 5,548</u>	<u>\$ 15,865</u>	<u>\$ 21,413</u>

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



## CALAHEEN ASSOCIATION FOR SOCIAL ENHANCEMENT, INC.

## STATEMENT OF FINANCIAL POSITION

June 30, 1997

ASSETS

Current Assets:		\$ 7,453
Cash and cash equivalents		368
Accounts Receivable		901
Grants and contracts		
Prepaid expenses		
Total current assets		8,662
Fixed Assets:		
Leasehold improvements	\$ 7,416	
Furniture and equipment	98,824	
Vehicle	13,288	
	119,528	
Less: accumulated depreciation	77,133	42,395
Utility deposits		150
TOTAL ASSETS		<u>\$ 51,212</u>

LIABILITIES AND NET ASSETS

Current Liabilities:		\$ 1,180
Accounts payable and accrued expenses		
Net Assets:		
Unrestricted net assets:		
Operations	7,456	
Fixed assets	42,338	
Total unrestricted net assets/TOTAL net assets		49,832
TOTAL LIABILITIES AND NET ASSETS		<u>\$ 51,212</u>

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

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.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a 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. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

However, we noted certain matters involving the internal control structure and its operation that we have reported to the management of the Cajalieu Association for Social Enrichment, Inc. in a separate letter dated December 10, 1987.

This report is intended for the information of the board of directors, management, and the Office of Legislative Auditor, State of Louisiana. However, this report is a matter of public record, and its distribution is not limited.

*Donell M. Jones*

Lake Charles, Louisiana  
December 10, 1987

DAVID L. J. MORGAN  
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(2-10-1988)

U.S. GOVERNMENT  
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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited the financial statements of the Calcasieu Association for Social Enrichment, Inc. (a non-profit organization) for the year ended June 30, 1987, and have issued our report thereon dated December 10, 1987.

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 the Calcasieu Association for Social Enrichment, Inc. 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, and the 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 inherent limitations in any internal control structure, errors or irregularities 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 Association for Social Enrichment, Inc. for the year ended June 30, 1987, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an

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

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

We have audited the financial statements of the Calcasieu Association for Social Enrichment, Inc. (a non-profit organization) as of and for the year ended June 30, 1997, and have issued our report thereon dated December 10, 1997.

We conducted our audit in accordance with generally accepted auditing standards and GOVERNMENT AUDITING STANDARDS issued by the Comptroller General of the United States. These 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 the Calcasieu Association for Social Enrichment, Inc. is the responsibility of Calcasieu Association for Social Enrichment, Inc. management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of Calcasieu Association for Social Enrichment, Inc. 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 compliance 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 Office of Legislative Auditor, State of Louisiana. However, this report is a matter of public record, and its distribution is not limited.

*Daniel Moore*

Lake Charles, Louisiana  
December 10, 1997

DANIEL J. MORIN  
CERTIFIED PUBLIC ACCOUNTANT  
A Professional Corporation  
LAKE CHARLES, MISSISSIPPI

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INDEPENDENT AUDITORS' REPORT

U.S. GOVERNMENT  
PRINTING OFFICE: 1987

Board of Directors  
Calcasieu Association for Social  
Enrichment, Inc.

We have audited the accompanying statement of financial position of the Calcasieu Association for Social Enrichment, Inc. (a not-profit organization) as of June 30, 1987, 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. 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 accounts 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 the Calcasieu Association for Social Enrichment, Inc. as of June 30, 1987, 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 December 10, 1987, on our consideration of Calcasieu Association for Social Enrichment, Inc.'s internal control structure and a report dated December 10, 1987, on its compliance with laws and regulations.

As discussed in Note A to the financial statements, in 1986 the organization changed its method of accounting for contributions and its method of financial reporting and financial presentation.

*Daniel Morin*  
Lake Charles, LA  
December 10, 1987

CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	3
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	4
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	5-6
FINANCIAL STATEMENTS	
STATEMENT OF FINANCIAL POSITION	7
STATEMENT OF ACTIVITIES	8
STATEMENT OF FUNCTIONAL EXPENSES	9
STATEMENT OF CASH FLOWS	10
NOTES TO FINANCIAL STATEMENTS	11-14

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CALCIFIED ASSOCIATION FOR SOCIAL ENRICHMENT, INC.

FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITORS' REPORT

June 30, 1997

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, 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 MAY 04 1998