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# CALCASIEU WOMEN'S SHELTER

## Financial Statements and Independent Auditors' Report

December 31, 1998  
(with comparative totals for 1997)

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 **MAR 3 1 1999**



Scalisi, Myers & White (APC)  
CERTIFIED PUBLIC ACCOUNTANTS  
LAKE CHARLES, LOUISIANA

**CALCASIEU WOMEN'S SHELTER**

**Financial Statements  
and Independent Auditors' Report**

**December 31, 1998  
(with comparative totals for 1997)**

**Scalisi, Myers & White (APC)  
LAKE CHARLES, LOUISIANA**

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A CORPORATION OF  
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## 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, 1998, 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 Women's Shelter as of December 31, 1998, 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 February 16, 1999 on our consideration of Calcasieu Women's Shelter's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Calcasieu Women's Shelter taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Scalisi, Myers & White (APC)*

February 16, 1999

Calcasieu Women's Shelter

STATEMENT OF FINANCIAL POSITION

December 31, 1998

ASSETS

	<u>1998</u>	<u>1997</u> <u>(Memorandum Only)</u>
<b>CURRENT ASSETS</b>		
Cash in Bank	\$ 193,452	\$ 143,952
Certificate of deposit	86,183	82,005
Grants receivable	51,988	80,420
Commodities inventory	411	225
Accrued interest	583	562
Prepaid expenses	<u>5,213</u>	<u>5,642</u>
Total current assets	337,830	312,806
<b>FIXED ASSETS - AT COST</b>		
Land	25,625	25,625
Buildings	595,780	595,780
Works of art	6,035	6,035
Furniture, fixtures and equipment	<u>69,195</u>	<u>61,892</u>
Total	696,635	689,332
Less accumulated depreciation	<u>(217,472)</u>	<u>(191,248)</u>
	479,163	498,084
<b>OTHER ASSETS</b>		
Rent deposit	<u>500</u>	<u>450</u>
<b>TOTAL ASSETS</b>	<u>\$ 817,493</u>	<u>\$ 811,340</u>

The accompanying notes are an integral part of this statement.

Scalisi, Myers & White (APC)  
LAKE CHARLES, LOUISIANA

## LIABILITIES AND NET ASSETS

	<u>1998</u>	<u>1997</u> <small>(Memorandum Only)</small>
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 4,452	\$ 4,882
Other accrued liabilities	719	456
Payroll taxes payable	<u>6,712</u>	<u>2,334</u>
Total current liabilities	11,883	7,672
 <b>NET ASSETS</b>		
Unrestricted net assets:		
Operations	273,548	276,297
Fixed assets	<u>460,575</u>	<u>487,568</u>
Total unrestricted net assets	734,123	763,865
Temporarily restricted net assets:		
Operations	52,899	29,287
Fixed assets	<u>18,588</u>	<u>10,516</u>
Total temporarily restricted net assets	<u>71,487</u>	<u>39,803</u>
Total net assets	<u>805,610</u>	<u>803,668</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 817,493</u>	<u>\$ 811,340</u>

Calcasieu Women's Shelter  
STATEMENT OF ACTIVITIES  
December 31, 1998  
(with comparative totals for 1997)

	1998				1997	
	Unrestricted		Temporarily Restricted		Memorandum Only	
	Operations	Fixed Assets	Operations	Fixed Assets	Total	All Funds
<b>SUPPORT AND REVENUE</b>						
<b>Support:</b>						
Received directly -						
Contributions	\$ 108,304	\$ 0	\$ 0	\$ 0	\$ 108,304	\$ 101,127
Special event (net of direct benefit cost)	<u>15,727</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>15,727</u>	<u>23,544</u>
Total received directly	124,031	0	0	0	124,031	124,671
Received indirectly -						
Allocated by United Way of Calcasieu Area, Inc.	<u>0</u>	<u>0</u>	<u>110,000</u>	<u>0</u>	<u>110,000</u>	<u>109,271</u>
Total support from the public	124,031	0	110,000	0	234,031	233,942
Grants from governmental agencies	<u>0</u>	<u>0</u>	<u>523,657</u>	<u>0</u>	<u>523,657</u>	<u>432,684</u>
Total support	124,031	0	633,657	0	757,688	666,626
<b>Revenue:</b>						
Interest income	8,139	0	0	0	8,139	5,874
Loss on disposal of assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(195)</u>
Total revenue	8,139	0	0	0	8,139	5,679
Net assets released from restrictions:						
Satisfaction of donor restrictions	<u>610,045</u>	<u>0</u>	<u>(610,045)</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL SUPPORT AND REVENUE</b>	742,215	0	23,612	0	765,827	672,305
<b>EXPENSES:</b>						
<b>Programs Services:</b>						
Shelter, food and client needs	347,628	24,294	0	4,073	375,995	343,241
Counseling	<u>191,053</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>191,053</u>	<u>148,179</u>
Total program services	538,681	24,294	0	4,073	567,048	491,420
<b>Support Services:</b>						
Management and general	<u>193,686</u>	<u>2,699</u>	<u>0</u>	<u>452</u>	<u>196,837</u>	<u>147,058</u>
Total expenses	<u>732,367</u>	<u>(26,993)</u>	<u>0</u>	<u>4,525</u>	<u>763,885</u>	<u>638,478</u>
Change in net assets before capital additions	9,848	(26,993)	23,612	(4,525)	1,942	33,827
Capital additions	<u>(12,597)</u>	<u>0</u>	<u>0</u>	<u>12,597</u>	<u>0</u>	<u>0</u>
Change in net assets	(2,749)	(26,993)	23,612	8,072	1,942	33,827
Net assets, beginning of year	<u>276,297</u>	<u>487,568</u>	<u>29,287</u>	<u>10,516</u>	<u>803,668</u>	<u>769,841</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 273,548</u>	<u>\$ 460,575</u>	<u>\$ 52,899</u>	<u>\$ 18,588</u>	<u>\$ 805,610</u>	<u>\$ 803,668</u>

The accompanying notes are an integral part of this statement.

Scalisi, Myers & White (APC)  
LAKE CHARLES, LOUISIANA



Calcasieu Women's Shelter

STATEMENT OF FUNCTIONAL EXPENSES

December 31, 1998  
(with comparative totals for 1997)

	1998				1997	
	Program Services			Supporting Services	Total Program and	Memorandum Only
	Shelter, Food and Client Needs	Counseling	Total	Management and General	Supporting Services Expenses	Total Program and Supporting Services Expenses
Salaries	\$ 174,536	\$ 158,560	\$ 333,096	\$ 80,606	\$ 413,702	\$ 344,237
Payroll taxes and fringe benefits	<u>35,766</u>	<u>32,493</u>	<u>68,259</u>	<u>16,518</u>	<u>84,777</u>	<u>55,859</u>
Total personnel	210,302	191,053	401,355	97,124	498,479	400,096
Client needs	40,315	0	40,315	0	40,315	45,678
Dues and subscriptions	930	0	930	500	1,430	1,566
Insurance	6,515	0	6,515	6,515	13,030	9,322
Maintenance and repairs	12,981	0	12,981	1,443	14,424	13,069
Miscellaneous	0	0	0	370	370	0
Office supplies and expense	0	0	0	11,533	11,533	7,628
Postage and box rent	352	0	352	3,165	3,517	3,631
Printing	683	0	683	6,152	6,835	7,808
Professional services	0	0	0	19,840	19,840	13,590
Rent	10,428	0	10,428	0	10,428	4,715
Supplies	4,846	0	4,846	0	4,846	5,078
Taxes and licenses	5	0	5	0	5	20
Telephone	5,374	0	5,374	5,374	10,748	9,317
Travel and conventions	14,227	0	14,227	14,226	28,453	21,299
Utilities	14,879	0	14,879	1,653	16,532	18,715
Volunteer services	<u>25,791</u>	<u>0</u>	<u>25,791</u>	<u>25,791</u>	<u>51,582</u>	<u>44,200</u>
Total expenses before depreciation	347,628	191,053	538,681	193,686	732,367	605,732
Depreciation	<u>28,367</u>	<u>0</u>	<u>28,367</u>	<u>3,151</u>	<u>31,518</u>	<u>32,746</u>
Total expenses	<u>\$ 375,995</u>	<u>\$ 191,053</u>	<u>\$ 567,048</u>	<u>\$ 196,837</u>	<u>\$ 763,885</u>	<u>\$ 638,478</u>

The accompanying notes are an integral part of this statement.

Scalisi, Myers & White (APC)  
LAKE CHARLES, LOUISIANA

Calcasieu Women's Shelter  
Statement of Cash Flows  
For the year ended December 31, 1998

	<u>1998</u>	<u>1997</u> Memorandum Only
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from contributions and special events	\$ 56,488	\$ 64,688
Cash received from United Way	110,000	109,271
Cash received from governmental grants	552,089	388,243
Interest income received	8,118	5,312
Cash paid for operating expense	<u>(660,370)</u>	<u>(543,471)</u>
Net cash provided by operating activities	66,325	24,043
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Rent deposit paid	(50)	(450)
Purchase of equipment	(12,597)	(8,159)
Purchase of six month certificate of deposit	<u>(4,178)</u>	<u>(82,005)</u>
Net cash used in investing activities	<u>(16,825)</u>	<u>(90,614)</u>
Net increase (decrease) in cash	49,500	(66,571)
Cash and cash equivalents, beginning of period	<u>143,952</u>	<u>210,523</u>
Cash and cash equivalents, end of period	<u>\$ 193,452</u>	<u>\$ 143,952</u>

The accompanying notes are an integral part of this statement.

Scalisi, Myers & White (APC)  
LAKE CHARLES, LOUISIANA

Calcasieu Women's Shelter

NOTES TO FINANCIAL STATEMENTS

December 31, 1998

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 as well as Rape Crisis counseling.

2. Basis of Accounting

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

3. Support and Revenue

Calcasieu Women's Shelter receives its grant and contract support primarily from the Louisiana Department of Health and Human Resources and the Louisiana Commission on Law Enforcement. The majority of the grants are cost reimbursement grants. Revenue is recorded as temporarily restricted and the portion that satisfied grantor restrictions during the year is reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

4. Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary 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.

5. 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.

Calcasieu Women's Shelter

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 1998

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

6. 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.

7. 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 \$31,518 and \$32,746 for the years ended December 31, 1998 and 1997, 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 \$500.

8. 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.

9. Reclassifications

For comparability, amounts from the year ended December 31, 1997 have been reclassified, where appropriate, to conform with the financial presentation for the year ended December 31, 1998.

Calcasieu Women's Shelter

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 1998

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

10. 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 B - COMMODITIES INVENTORY

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

NOTE C - CHANGES IN PROPERTY AND EQUIPMENT

Property and equipment, beginning of period	\$ 689,332
Purchases of property and equipment - at cost	12,597
Disposition of property and equipment	<u>(5,294)</u>
Property and equipment, end of period	<u>\$ 696,635</u>

NOTE D - DONATED MATERIALS AND SERVICES

Included in contributions revenue and program expense is the estimated value of donated materials, equipment and volunteer hours of \$68,562 and \$59,983 for the years ended December 31, 1998 and 1997, respectively. Contributed services were used for shelter program activities and clerical activities.

NOTE E - GRANTS FROM GOVERNMENTAL AGENCIES

A summary of grants from governmental agencies during 1998 and 1997 are as follows:

	<u>1998</u>	<u>1997</u>
Temporarily restricted - Operations:		
I.O.L.T.A.	\$ 20,000	\$ 18,000
City of Lake Charles (HUD)	13,222	11,951
Louisiana Department of Health and Human Resources	212,332	285,960
Louisiana Commission on Law Enforcement	204,894	64,010
Office of Public Health	57,300	40,752
Other Funding Sources	<u>15,909</u>	<u>12,011</u>
	<u>\$ 523,657</u>	<u>\$ 432,684</u>

Calcasieu Women's Shelter

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 1998

NOTE F - TEMPORARILY RESTRICTED NET ASSETS

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

Program and supporting activities:	
Periods after December 31, 1998	\$ 52,899
Fixed assets restricted to program activities	<u>18,588</u>
Total temporarily restricted net assets	\$ <u>71,487</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	\$ 610,045

NOTE G - 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 H - 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 \$6,018 and \$7,177 for the years ended December 31, 1998 and 1997, respectively.

NOTE I - COMMITMENTS

As of December 31, 1998, Calcasieu Women's Shelter had entered a noncancellable operating lease agreement for the rental of office facilities, expiring on June 1, 1999. Minimum rentals, on an annual basis are as follows:

1999	<u>\$1,530</u>
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Scalisi, Myers & White (APC)  
LAKE CHARLES, LOUISIANA

Calcasieu Women's Shelter

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 1998

NOTE J – CONCENTRATION OF CREDIT RISK

Calcasieu Women's Shelter maintains several bank accounts at two banks. Accounts at an institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. Cash at one of these institutions exceeded federally insured limits. The amount in excess of the FDIC limit totaled \$6,816 as of December 31, 1998.

NOTE K - STATEMENTS OF CASH FLOWS

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

	<u>1998</u>	<u>1997</u>
Change in net assets	\$ 1,942	\$ 33,827
Adjustments to reconcile net assets to net cash provided by operating activities:		
Depreciation	31,518	32,746
Loss on disposal of assets	0	195
Changes in assets and liabilities:		
Net (increase) decrease in:		
Grants receivable	28,432	(44,441)
Prepaid expense	429	92
Inventory	(186)	212
Accrued interest	(21)	(562)
Net increase (decrease) in:		
Accounts payable	(430)	1,674
Other accrued liabilities	263	(50)
Accrued payroll taxes	<u>4,378</u>	<u>350</u>
	<u>64,383</u>	<u>(9,784)</u>
Net cash provided by operating activities	<u>\$ 66,325</u>	<u>\$ 24,043</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.



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**INDEPENDENT AUDITORS' 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  
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, 1998, and have issued our report thereon dated February 16, 1999. 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 Women's Shelter'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*. However, we noted certain immaterial instances of noncompliance, which we have reported to management of Calcasieu Women's Shelter in a separate letter dated February 16, 1999.



## Internal Control Over Financial Reporting

In planning and performing our audit, we considered Calcasieu Women's Shelter'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 Women's Shelter in a separate letter dated February 16, 1999.

This report is intended for the information of the board of directors, management, the legislative auditor, and federal awarding agencies and pass-through entities. However, this report is a matter of public record, and its distribution is not limited.

*Scalisi, Myers & White (APC)*

February 16, 1999

**SUPPLEMENTAL INFORMATION**

Scalisi, Myers & White (APC)  
LAKE CHARLES, LOUISIANA

Calcasieu Women's Shelter

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

December 31, 1998  
(with comparative totals for 1997)

Federal Grantor/ Pass-through Grantor/ Program Title	Federal FDA Number	Pass-through Grantor's Number	Disbursements/ Expenditures 1998	Disbursements/ Expenditures 1997  (Memorandum Only)
<u>U.S. Department of Justice</u>				
<u>Office of Justice Programs</u>				
Passed through Louisiana				
Commission on Law Enforcement Under				
Stop Violence Against Women Formula Grant Program				
VAWA Sexual Assault Outreach	16.588	M97-8-021	\$24,444	\$3,931
VAWA Domestic Violence Program	16.588	M97-8-014	22,310	3,932
Passed through Louisiana				
Commission on Law Enforcement				
Under Victim Crimes Act of 1984				
Rape Crisis Victim Outreach	16.575	C98-6-002	80,446	56,860
Victim Outreach Program	16.575	C98-6-001	77,694	64,010
Passed through Louisiana Department of Health				
and Hospitals Office of Public Health				
Rape Crisis Outreach Program	16.588	529507	57,300	40,752
<u>U.S. Department of Health and Human Resources</u>				
Passed through Louisiana				
Office of Women's Services				
Family Violence Program	93.671	537142	62,233	56,310
<u>U.S. Department of Housing and</u>				
<u>Urban Development</u>				
Passed through Louisiana				
Department of Social Services				
and City of Lake Charles				
Emergency Shelter Program	14.231	3707307	13,222	11,951
<u>U.S. Department of Agriculture</u>				
Passed through Louisiana				
Department of Agriculture				
Commodities Distribution	10.550	F65302	<u>1,550</u>	<u>1,261</u>
			<u>\$339,199</u>	<u>\$239,007</u>

The accompanying notes are an integral part of this statement

Scalisi, Myers & White (APC)  
LAKE CHARLES, LOUISIANA



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## MANAGEMENT LETTER

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

In planning and performing our audit of the financial statements of Calcasieu Women's Shelter for the year ended December 31, 1998, we considered the Organization's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

However, during our audit, we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. We previously reported on the Organization's internal control in our report dated February 16, 1999. This letter does not affect our report dated February 16, 1999, on the financial statements of Calcasieu Women's Shelter.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various Organization personnel, and 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:

### Grant Compliance

The amount of federal funding received during 1998 increased substantially over the amount from the previous year. The Organization is now in a situation where federal funds exceed \$300,000 and a single audit is required. The grants with federal funding require that three bids be obtained for purchases of equipment in excess of \$500. Based upon discussion with management, prices were compared from at least three sources before purchasing equipment during 1998, however, no documentation was available to substantiate the procurement process. A procedural change is required in the acquisition of equipment to assure that federal funds are spent according to grant requirements.

Payroll reporting

The 1998 W-2's did not reflect the employees who are covered by the retirement plan as participating in a retirement plan. The only 1998 W-2's marked as pension plan were for the few employees who chose to defer a portion of their salary. For 1999, W-2's for all employees who are covered by the retirement plan need to be appropriately marked.

Prior year suggestions

Last year, we noted that several bank balances on the general ledger did not agree with the bank reconciliations. Management engaged McElroy, Quirk, Birch & Company in 1998 to assist with overseeing the monthly financial statements and reconciling the bank accounts. We noted no problems with bank balances on the Quickbooks financial records for 1998.

Last year, we also noted that several bank overdraft charges were incurred in January, 1998. We believed 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. Management implemented this suggestion during 1998 and we noted no additional bank overdraft problems.

Last year, we also noted that the Forms W-2 issued for 1997 did not reflect which employees participated in the pension plan. This was not fully corrected in 1998 as explained above.

*Scalisi, Myers & White (APC)*

February 16, 1999



**CALCASIEU WOMEN'S SHELTER, INC.**

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March 26, 1999

Office of Legislative Auditor  
State of Louisiana  
P O Box 94397  
Baton Rouge, LA 70804-9397

RE: Corrective Action Plan  
Calcasieu Women's Shelter, Inc.  
Audit findings-FYE 12/31/98

Dear Mr. Kyle:

We submit the following corrective action plan pertaining to the items mentioned in the audit management letter for 1998:

**1. Grant Compliance**

"The grants with federal funding require that three bids be obtained for purchases of equipment in excess of \$500. Based upon discussion with management, prices were compared from at least three sources before purchasing equipment during 1998, however, no documentation was available to substantiate the procurement process. A procedural change is required in the acquisition of equipment to assure that federal funds are spent according to grant requirements."

Calcasieu Women's Shelter, Inc. has implemented a procurement policy effective immediately that required documentation of price quotes from at least three sources before equipment in excess of \$500 can be purchased with federal funds.

**2. Payroll reporting**

"The 1998 W-2's did not reflect the employees who are covered by the retirement plan as participating in a retirement plan. The only 1998 W-2's marked as pension plan were for the few employees who chose to defer a portion of their salary. For 1999, W-2's for all employees who are covered by the retirement plan need to be appropriately marked."

Calcasieu Women's Shelter, Inc. has informed our accountants who prepared the 1998 W-2's of the error and they have assured us they will be reported correctly for 1999.

Please let us know if any additional information is needed.

Very Truly Yours,

Ann Polak, Executive Director  
Calcasieu Women's Shelter



A United Way Agency

