The Haven, Inc.

Financial Statements
and Independent Auditor's Report
June 30, 2004

The Haven, Inc.

Financial Statements and Independent Auditor's Report
As of and for the Year Ended
June 30, 2004

Table of Contents

Martin
and
Pellegrin

Certified Public Accountants
(A Professional Corporation)

103 Ramey Road
Houma, Louisiana 70360

Ph. (985) 851-3638
Fax (985) 851-3951

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Haven, Inc.
Houma, Louisiana

We have audited the accompanying statement of financial position of The Haven, Inc. (a nonprofit organization) as of June 30, 2004, 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 auditing standards generally accepted in the United States of America 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 The Haven, Inc. as of June 30, 2004, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards* we have also issued our report dated October 29, 2004, on our consideration of The Haven, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Martin and Pellegrin

October 29, 2004

FINANCIAL STATEMENTS SECTION

The Haven, Inc.

Statement of Financial Position
June 30, 2004

ASSETS

Current assets:	
Cash and cash equivalents	$ 80,529
Unconditional promises to give:	
Corporate grants	33,995
Government grants	39,836
Total current assets	154,360
Property and equipment, less accumulated depreciation of $63,160	214,010
TOTAL ASSETS	$ 368,370

LIABILITIES AND NET ASSETS

Current liabilities:	
Accrued expenses	$ 5,855
Capital lease payable, current portion	2,628
Notes payable, current portion	5,009
Total current liabilities	13,492
Long-term liabilities:	
Capital lease payable, net of current maturities	10,610
Notes payable, net of current maturities	89,882
Total long-term liabilities	100,492
Total liabilities	113,984
Net assets:	
Unrestricted	220,391
Temporarily restricted	33,995
Total net assets	254,386
TOTAL LIABILITIES AND NET ASSETS	$ 368,370

See accompanying notes to financial statements.

The Haven, Inc.

Statement of Activities
Year Ended June 30, 2004

	Unrestricted	Temporarily Restricted	Total
REVENUES, OTHER SUPPORT, AND RECLASSIFICATION			
Grants:			
Governmental	$ 319,597	$ -	$ 319,597
Corporate	-	58,140	58,140
Fundraising	51,137	-	51,137
Contributions	50,965	-	50,965
In-kind contributions	18,700	-	18,700
Miscellaneous income	4,388	-	4,388
Investment income	114	-	114
Net assets released from restrictions	65,173	(65,173)	-
TOTAL REVENUES, OTHER SUPPORT, AND RECLASSIFICATION	510,074	(7,033)	503,041
FUNCTIONAL EXPENSES			
Program services			
Domestic violence	289,435	-	289,435
Sexual assault	156,439	-	156,439
Management and general	64,686	-	64,686
Fundraising	5,446	-	5,446
TOTAL FUNCTIONAL EXPENSES	516,006	-	516,006
NONOPERATING EXPENSE			
Loss on disposal of property and equipment	2,539	-	2,539
DECREASE IN NET ASSETS	(8,471)	(7,033)	(15,504)
NET ASSETS, BEGINNING OF PERIOD	228,862	41,028	269,890
NET ASSETS, END OF PERIOD	$ 220,391	$ 33,995	$ 254,386

See accompanying notes to financial statements.

The Haven, Inc.

Statement of Functional Expenses
Year Ended June 30, 2004

	Program Services			Management	
	Domestic Violence	Sexual Assault	Fundraising	and General	Total
Salaries	$ 173,728	$ 107,170	$ -	$ 38,304	$ 319,202
Payroll taxes	15,160	9,352	-	3,342	27,854
Health insurance	10,494	6,473	-	2,314	19,281
Insurance	10,357	6,389	-	2,284	19,030
Client assistance	17,423	-	-	-	17,423
Depreciation	7,417	4,575	-	1,635	13,627
Professional fees	10,037	-	-	755	10,792
Utilities	5,414	3,340	-	1,194	9,948
Seminars and conferences	5,285	3,260	-	1,165	9,710
Interest	4,675	2,884	-	1,031	8,590
Food and house supplies	8,252	-	-	-	8,252
Accounting fees	-	-	-	8,021	8,021
Telephone	3,611	2,227	-	796	6,634
Fundraising	-	-	5,446	-	5,446
Repairs and maintenance	2,695	1,662	-	594	4,951
Workers' compensation insurance	2,348	1,449	-	518	4,315
Miscellaneous	2,313	1,427	-	510	4,250
Travel and meals	2,272	1,401	-	500	4,173
Office supplies	2,054	1,267	-	453	3,774
Printing and publications material	1,934	1,193	-	426	3,553
Dues and subscriptions	1,503	927	-	330	2,760
Postage	1,024	632	-	226	1,882
Advertising	591	364	-	130	1,085
Bank charges	446	275	-	98	819
Meetings	272	168	-	60	500
Educational material	124	-	-	-	124
Community education	6	4	-	-	10
Total	$ 289,435	$ 156,439	$ 5,446	$ 64,686	$ 516,006

See accompanying notes to financial statements.

The Haven, Inc.

Statement of Cash Flows
Year Ended June 30, 2004

CASH FLOWS FROM OPERATING ACTIVITIES:	
Decrease in net assets	$ (15,504)
Adjustment to reconcile decrease in net assets to net cash flows provided by operating activities:	
Depreciation	13,627
Loss on disposal of property and equipment	2,539
Decrease in operating assets:	
Unconditional promises to give	23,274
Decrease in operating liabilities:	
Accounts payable	(2,711)
Accrued expenses	(762)
NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	20,463
CASH FLOWS USED IN INVESTING ACTIVITIES:	
Purchases of property and equipment	(4,482)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Proceeds from capital lease payable	2,492
Principal payments of capital lease payable	(2,244)
Proceeds from note payable	15,000
Principal payments of notes payable	(4,903)
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES	10,345
NET INCREASE IN CASH AND CASH EQUIVALENTS	26,326
BEGINNING CASH AND CASH EQUIVALENTS	54,203
ENDING CASH AND CASH EQUIVALENTS	$ 80,529

SUPPLEMENTAL INFORMATION:	
Cash paid during the year for interest	$ 8,590

See accompanying notes to financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. NATURE OF THE ORGANIZATION

The Haven, Inc. was organized in Louisiana as a non-profit organization for the purpose of establishing a comprehensive community-based response to sexual assault and interpersonal and family violence in Terrebonne Parish, Louisiana. The Organization provides crisis intervention, legal advocacy, counseling, and community education related to domestic violence and sexual assault. The Organization also provides temporary housing for women and children who are victims of domestic violence and/or sexual assault.

B. BASIS OF ACCOUNTING

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

C. PROMISES TO GIVE

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Organization uses the allowance method to determine uncollectible unconditional promises to give. The allowance is based on management's analysis of specific promises made.

D. PROPERTY AND EQUIPMENT

Property and equipment of the Organization, excluding donated property and equipment, are valued at cost. All donated property and equipment are recorded at estimated fair market value on the date of the donation. Assets are capitalized if costs exceed $200 and if they have a useful life of at least one year. Depreciation of all exhaustible property and equipment is calculated using the straight-line method, and is charged as an expense against operations. Property and equipment reported on the statement of financial position are net of accumulated depreciation.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

E. 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.

F. ESTIMATES

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

G. CASH AND CASH EQUIVALENTS

Cash equivalents consist of highly liquid investments with an initial maturity of three months or less. Fair value approximates carrying amounts.

H. INCOME TAXES

No provisions for income taxes have been made. The Internal Revenue Service has issued The Haven, Inc. an advance letter ruling exempting the Organization from income taxes. (See Note 2.)

NOTE 2 – INCOME TAXES

The Haven, Inc. is a non-profit corporation organized under the laws of the State of Louisiana. The Haven has received an advance letter ruling from the Internal Revenue Service in which it has been recognized by the Internal Revenue Service as being exempt from income taxes under Internal Revenue Code Section 501(c)(3).

The Internal Revenue Service has further determined the Organization not to be a private foundation as within the meaning of Internal Revenue Code Section 509(a). Contributions to The Haven are deductible as provided by Section 170 of the Internal Revenue Code. The Haven is not involved in any trade or business unrelated to the purpose for which it received its exemption from income taxes.

NOTE 3 – UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give consist of the following:

Government grants/	
Office of the Governor/Office of Women's Services	$ 12,492
Louisiana Commission on Law Enforcement and Administration of Criminal Justice/	
Temporary Assistance for Needy Families	12,392
Rape Prevention Education	6,519
Sexual Assault Program	5,339
Domestic Violence Program	1,769
Urban Projects Assistance Program	1,196
Child Sexual Abuse Counseling	129
	$ 39,836
Corporate grants/	
United Way for South Louisiana	$ 28,640
IOLTA	5,355
	$ 33,995

All unconditional promises to give are due within one year and are considered to be fully collectible by management.

The amounts due from United Way for South Louisiana and IOLTA represent the Organization's allocation for the remainder of calendar year 2004.

The unconditional promises to give from the United Way for South Louisiana and IOLTA are temporarily restricted as to the expiration of time restrictions. All other unconditional promises to give are unrestricted.

NOTE 4 – IN-KIND CONTRIBUTIONS

In-kind contributions represent the estimated fair rental value of general corporate goods and services provided. Contributed goods are valued at fair market value on the date of the donation. Contributed services are reflected in the financial statements at the fair value of the services received. The contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would

NOTE 4 – IN-KIND CONTRIBUTIONS (Cont.)

typically need to be purchased if not provided by donation.

The following is a summary of in-kind contributions for the year ended June 30, 2004:

	Estimated Market Value
Client assistance	$ 13,290
Audit and accounting	2,625
Food and housekeeping	2,570
Office supplies	215
	$ 18,700

The value of donated volunteer services is not reflected in the accompanying financial statements since they do not meet the recording criteria as per FASB 116. However, a substantial number of volunteers have donated significant amounts of their time in the Organization's program, administrative, and fund-raising activities.

NOTE 5 – PROPERTY AND EQUIPMENT

A summary of changes in property and equipment is as follows:

	Balance July 1, 2003	Additions	Retirements	Balance June 30, 2004
Buildings	$ 218,388	$ 866	$ -	$ 219,254
Furniture, fixtures, and equipment	58,967	3,616	(4,667)	57,916
	277,355	4,482	(4,667)	277,170
Less: accumulated depreciation	(51,661)	(13,627)	2,128	(63,160)
Total	$ 225,694	$ (9,145)	$ (2,539)	$ 214,010

NOTE 6 – FAIR VALUES OF FINANCIAL INSTRUMENTS

The Haven's financial instruments, none of which are held for trading purposes, include cash and cash equivalents and unconditional promises to give. Management estimates that fair value of all financial instruments as of June 30, 2004, does not differ materially from the aggregate carrying values of its financial instruments recorded in the instruments recorded in the accompanying statements of financial position.

NOTE 7 – RESTRICTIONS ON NET ASSETS

The restrictions on net assets as of June 30, 2004 relate to United Way for South Louisiana and IOLTA funding for the remainder of calendar year 2004.

NOTE 8 – NOTES PAYABLE

Notes payable of the Organization consist of the following as of June 30, 2004:

Note payable dated September 14, 2001 to a bank with an interest rate of 6.5%, unsecured, payable in monthly installments of $323, including interest, with a maturity date of September 14, 2006.	$ 21,894
Note payable dated August 9, 2002 to a bank with an interest rate of 7.0%, secured by real estate, payable in monthly installments of $626, including interest, with a maturity date of August 9, 2007.	72,997
	94,891
Less current maturities of long-term debt	(5,009)
Long-term debt, less current maturities	$ 89,882

Maturities of long-term debt are as follows:

Year Ending June 30,	
2005	$ 5,009
2006	5,358
2007	19,599
2008	64,925
	$ 94,891

NOTE 9 – CAPITAL LEASE PAYABLE

The Organization is engaged in a capital lease for office equipment recorded at a cost of $15,565 and accumulated depreciation of $3,330. The economic substance of the lease is acquiring the equipment through the lease, and the appropriate assets and liabilities have been recorded. The lease has an interest rate of 14.25% and is payable in 60 monthly installments of $362, including interest. The lease matures on June 17, 2008. The principal balance due as of June 30, 2004 is $13,238.

NOTE 9 – CAPITAL LEASE PAYABLE (Cont.)

The minimum future principal payments under this lease are as follows:

Year Ending June 30,	
2005	$ 2,628
2006	3,028
2007	3,489
2008	4,093
	$ 13,238

NOTE 10 – CORPORATE GRANTS

During the year ended June 30, 2004, the Organization recognized grant revenue from the following corporate grants:

United Way for South Louisiana	$ 51,000
IOLTA	7,140
Total corporate grants	$ 58,140

NOTE 11 – GOVERNMENTAL GRANTS

During the year ended June 30, 2004, the Organization recognized grant revenue from the following governmental grantors:

State of Louisiana:	
Office of the Governor/Office of Women's Services	$ 168,833
LA Commission on Law Enforcement and Administration of Criminal Justice	135,764
Terrebonne Parish Consolidated Government	15,000
Total governmental grants	$ 319,597

SUPPLEMENTAL INFORMATION

The Haven, Inc.

Schedule of Findings and Questioned Costs
As of and For the Year Ended
June 30, 2004

Section I – Summary of Auditor's Results

1. The auditor's report expresses an unqualified opinion on the financial statements of The Haven, Inc.

2. One reportable condition (see finding 04-01) was noted during the audit of the financial statements. This reportable condition was not considered a material weakness.

3. No instances of noncompliance material to the financial statements of The Haven, Inc., which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

4. A management letter was issued.

Section II – Financial Statement Findings

No findings material to the financial statements of The Haven, Inc. were noted during the audit.

Section III – Internal Control Findings

04-01

Statement of Condition: A reportable condition in the organization's internal control.

Criteria: In our consideration of internal control, we noted that the size of The Haven, Inc.'s operations and its limited accounting staff preclude an adequate segregation of duties and other features of an adequate system of internal control.

Effects of Condition: The internal control, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Cause of Condition: The size of The Haven, Inc. and its limited accounting staff preclude an adequate segregation of duties and other features of an adequate system of internal control.

Recommendation: The Board of Directors of The Haven, Inc. should closely monitor the day-to-day activities of the Organization and implement other control procedures until the agency has grown to the point where it is cost beneficial to employ an adequate system of internal controls.

Response: The management of The Haven, Inc. agrees with this finding.

Questioned Costs:	$ -0-

Section IV – Federal Award Findings and Questioned Costs

This section is not applicable.

The Haven, Inc.

Schedule of Prior Findings and Resolution Matters
As of and For the Year Ended
June 30, 2004

Note: All prior findings relate to the June 30, 2003 audit engagement.

Section I – Internal Control and Compliance Material to the Financial Statements

Inadequate Internal Control

Condition: A reportable condition in the internal control related to lack of segregation of duties.

Recommendation: The Board of Directors of The Haven, Inc. should closely monitor the day-to-day activities of the Organization and implement other control procedures until the agency has grown to the point where it is cost beneficial to employ an adequate system of internal controls.

Status: The Organization has implemented the recommendation, but the lack of segregation of duties continues to exist. The Board will continue to perform the recommendation until it is financially feasible to employ additional staff.

Section II – Internal Control and Compliance Material to Federal Awards

This section is not applicable.

Section III – Management Letter

Allocation of Expenses

Condition: The Organization is not utilizing the departmentalized statements of activities produced by its accounting program in the preparation of its grant reimbursement requests.

Recommendation: The departmentalized monthly statement of activities produced by the Organization's accounting software should be used in the preparation of grant reimbursement requests to facilitate the agreement of individual grant reimbursement requests to underlying accounting data.

Status: Unresolved.

Operating Budget

Condition: The operating budget is not being used as a management tool.

The Haven, Inc.

Schedule of Prior Findings and Resolution Matters
As of and For the Year Ended
June 30, 2004

Recommendation: An internal control procedure should be put into place that would require periodic comparisons of actual results to the budget to monitor the Organization's financial position.

Status: Ongoing. The recommendation will be implemented during the fiscal year ending June 30, 2005.

SPECIAL REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

Martin
and
Pellegrin

Certified Public Accountants
(A Professional Corporation)

103 Ramey Road
Houma, Louisiana 70360

Ph. (985) 851-3638
Fax (985) 851-3951

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
The Haven, Inc.
Houma, Louisiana

We have audited the financial statements of The Haven, Inc. (a nonprofit organization) as of and for the year ended June 30, 2004, and have issued our report thereon dated October 29, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 The Haven 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 The Haven, 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. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect The Haven, Inc.'s ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. A reportable condition is described in the accompanying schedule of findings and questioned costs as item 04-01.

Board of Directors
The Haven, Inc.
Houma, Louisiana

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable condition described above is not a material weakness. We also noted other matters involving the internal control over financial reporting, which we have reported to management of The Haven, Inc. in a separate letter dated October 29, 2004.

This report is intended solely for the information of the Board of Directors, management, others within the organization, the Louisiana Legislative Auditor, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Martin and Pellegrin

October 29, 2004

The Haven, Inc.

Management's Corrective Action
Plan for Current Year Findings
As of and For the Year Ended
June 30, 2004

The contact person for all corrective actions noted below is Julie Pellegrin, Executive Director.

SECTION I – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

Inadequate Internal Control

Condition: A reportable condition in the internal control related to lack of segregation of duties.

Recommendation: The Board of Directors of The Haven, Inc. should closely monitor the day-to-day activities of the Organization and implement other control procedures until the agency has grown to the point where it is cost beneficial to employ an adequate system of internal controls.

Planned Action: The Board of Directors will closely monitor the day-to-day activities of the Organization until it is financially feasible to employ additional staff.

SECTION II – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

This section is not applicable.

SECTION III – MANAGEMENT LETTER

Operating Budget

Condition: The operating budget is not being used as a management tool.

Recommendation: An internal control procedure should be put into place that would require periodic comparisons of actual results to the budget to monitor the Organization's financial position.

Planned Action: The Organization will implement the recommendation as detailed above.

The Haven, Inc.

Management's Corrective Action
Plan for Current Year Findings
As of and For the Year Ended
June 30, 2004

Allocation of Expenses

Condition: The Organization is not utilizing the departmentalized activity statements produced by its accounting program in the preparation of its grant reimbursement requests.

Recommendation: The departmentalized monthly statement of activities produced by the Organization's accounting software should be used in the preparation of grant reimbursement requests to facilitate the agreement of individual grant reimbursement requests to underlying accounting data.

Planned Action: The Organization will implement the recommendation as detailed above.

The Haven, Inc.

Management Letter
June 30, 2004

Martin
and
Pellegrin

Certified Public Accountants
(A Professional Corporation)

103 Ramey Road
Houma, Louisiana 70360

Ph. (985) 851-3638
Fax (985) 851-3951

October 29, 2004

To the Board of Directors
The Haven, Inc.
Houma, Louisiana

We have audited the financial statements of The Haven, Inc. as of and for the year ended June 30, 2004, and have issued our report thereon dated October 29, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

As a part of our examination, we have issued our report on the financial statements, dated October 29, 2004, and our report on internal control and compliance with laws, regulations, and contracts, dated October 29, 2004.

During the course of our examination, we became aware of the following matters which represent suggestions for improved internal controls.

Allocation of Expenses
During the testing of grant compliance, it was noted that the Organization's in-house departmentalized statements of activities were not in agreement with grant reimbursement requests. We recommend that the allocation of expenses to a specific grant entered in the accounting package be in agreement with the reimbursement requests for each grant. This would enable the departmentalized financial statements to be in agreement with the actual expenses for each individual grant.

Operating Budget
During the examination it was noted that the budget is not being used as a management tool. Periodic comparisons of actual results to the budget assist management in monitoring the Organization's financial position. We recommend that such comparisons be made at least quarterly.

We will review the status of these comments during our next audit engagement. We will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Sincerely,

Martin and Pellegrin

Martin and Pellegrin, CPAs (PC)