

SAFE HARBOR, INC.

SCHEDULE OF FEDERAL AWARDS

For The Fiscal Year Ended June 30, 1997

Federal Grantor/Pass Through Grantor/Program Title	Federal DFSS Number	Program Revenue Received	Federal Reimbursable
Federal Family Violence Prevention and Services Act			
Pass through grantor - State of Louisiana, Office of Women's Services	93-571	486,963	800,000
U.S. Department of Housing and Urban Development			
Pass through grantor - State of Louisiana, Office of Community Services	14-331	29,798	29,798
TOTAL		\$512,723	\$829,798

DELPHINE A. CUPPAY

CERTIFIED PUBLIC ACCOUNTANT

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INDEPENDENT AUDITOR'S REPORT ON THE SCHEDULE OF FEDERAL AWARDS

December 19, 1997

Board of Directors
Safe Harbor, Inc.
Bridell, IN 76888

I have audited the financial statements of Safe Harbor, Inc. (a non-profit organization) as of June 30, 1997 and for the fiscal year then ended, and have issued an report thereon dated December 19, 1997. These financial statements are the responsibility of Safe Harbor, Inc.'s management. My responsibility is to express an opinion on these basic financial statements based on my audit.

I conducted my 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 I 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 basic 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. I believe that my audit provides a reasonable basis for my opinion.

My audit was made for the purpose of forming an opinion on the basic financial statements of Safe Harbor, Inc. taken as a whole. The accompanying Schedule of Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information in the Schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Delphine A. Cuppay, CPA

Delphine A. Cuppay, CPA

report is a matter of public record and its distribution is not limited.

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DELPHINE A. CUPRAY

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE SPECIAL
REQUIREMENTS APPLICABLE TO NONPROFIT PROGRAM TRANSACTIONS

December 19, 1997

Board of Directors
Safe Harbor, Inc.
Bisland, LA 70408

I have audited the financial statements of Safe Harbor, Inc. (a non-profit organization) as of June 30, 1997 and for the fiscal year then ended, and have issued my report thereon dated December 19, 1997.

In connection with my audit of the financial statements of Safe Harbor, Inc., and with my consideration of Safe Harbor, Inc.'s internal control structure used to administer Federal awards, as required by Office of Management and Budget (OMB) Circular A-133, *Audits of Institutions of Higher Education and Other Approved Institutions*, I selected certain transactions applicable to certain nonproft programs for the fiscal year ended June 30, 1997. As required by OMB Circular A-133, I have performed auditing procedures to test compliance with the requirements governing types of services and allowability of expenditures that are applicable to those transactions. My procedures were substantially less in scope than an audit, the objectives of which is the expression of an opinion on Safe Harbor, Inc.'s compliance with these requirements. Accordingly, I do not express such an opinion.

With respect to the items tested, the results of these procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to my attention that caused me to believe that Safe Harbor, Inc. had not complied, in all material respects, with these requirements.

This report is intended for the information of the Board of Directors, management, grantors and the Legislative Auditor. However, this

believe that Safe Harbor, Inc. had not complied, in all material respects, with those requirements.

This report is intended for the information of the Board of Directors, management, creditors and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Delphine A. Caggay, CPA
Delphine A. Caggay, CPA

DELPHINE A. CURPAY

CERTIFIED PUBLIC ACCOUNTANT

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE
GENERAL REQUIREMENTS APPLICABLE TO FEDERAL AWARD PROGRAMS

December 19, 1997

Board of Directors
Safe Harbor, Inc.
Slidell, LA 70588

I have audited the financial statements of Safe Harbor, Inc. (a not-for-profit organization) as of June 30, 1997 and for the fiscal year then ended, and have issued my report thereon dated December 19, 1997.

I have applied procedures to test Safe Harbor, Inc.'s compliance with the following general requirements applicable to its Federal awards program, which are identified in the accompanying schedule of Federal awards, for the fiscal year ended June 30, 1997:

Political activity
Civil rights
Allowable costs/cost principles
Drug-free workplace Act
Administrative requirements

My procedures were limited to the applicable procedures described in the Office of Management and Budget's Compliance Supplement for Audits of Institutions of Higher Learning and Other Nonprofit Institutions. My procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Safe Harbor, Inc.'s compliance with the requirements listed in the preceding paragraph. Accordingly, I do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to my attention that caused me to

No consideration of the internal control structure policies and procedures used in administering federal awards would not necessarily disclose all matters in the internal control structure that might constitute 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 noncompliance with laws and regulations that would be material to a federal award program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control structure and its operations that I consider to be material weaknesses as defined above.

This report is intended for the information of the Board of Directors, management, grantors and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Delphine A. Cuppage, CPA
Delphine A. Cuppage, CPA

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

For the purpose of this report, I have classified the significant internal control structure policies and procedures used in administering federal programs in the following categories:

- Cycles of Safe Harbor, Inc.'s accounting activity:
 - Revenue/Receipts
 - Expenses/Disbursements
 - External financial reporting
- Administration of Safe Harbor, Inc.'s compliance with laws, regulations, contracts and grants

For all of the internal control structure categories listed above, I obtained an understanding of the design and relevant policies and procedures and whether they have been placed in operation, and I assessed control risk.

During the fiscal year ended June 30, 1997, Safe Harbor, Inc. had no major programs and expended 100% of its total federal awards under the following nonmajor programs:

- MUD/Emergency Shelter Grants Program
- Family Violence Prevention and Services Act

I performed tests of controls, as required by DHS Circular A-133, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that I considered relevant to preventing or detecting material noncompliance with specific requirements; general requirements; and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to the aforementioned nonmajor programs. My procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, I do not express such an opinion.

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REGISTERED PUBLIC ACCOUNTANT

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INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL CONTROL STRUCTURE
USED IN ADMINISTERING FEDERAL AWARDS

December 29, 1997

Board of Directors
Safe Harbor, Inc.
Slidell, LA 70368

I have audited the financial statements of Safe Harbor, Inc. (a non-profit organization) as of June 30, 1997 and for the fiscal year then ended, and have issued my report thereon dated December 29, 1997. I have also audited Safe Harbor, Inc.'s compliance with requirements applicable to federal award programs, and have issued my report thereon dated December 29, 1997.

I conducted my audit in accordance with generally accepted auditing standards (Government Auditing Standards, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Circular A-133, *Audits of Institutions of Higher Education and Other Nonprofit Institutions*). These standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and about whether Safe Harbor, Inc. complied with laws and regulations, noncompliance with which would be material to a federal program.

In planning and performing my audit for the fiscal year ended June 30, 1997, I considered Safe Harbor, Inc.'s internal control structure in order to determine my auditing procedures for the purpose of expressing my opinion on Safe Harbor, Inc.'s financial statements and to report on the internal control structure in accordance with OMB Circular A-133. This report addresses my consideration of internal control structure policies and procedures relevant to my audit of the financial statements in a separate report dated December 29, 1997.

The management of Safe Harbor, Inc. is responsible for establishing and maintaining an internal control structure. In fulfilling this

report is a matter of public record and its distribution is not limited.

Delphine A. Cussey, CPA

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH LAWS, REGULATIONS,
CONTRACTS AND GRANTS BASED ON AN ASSESSMENT OF FINANCIAL STATEMENTS
OBTAINED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

December 19, 1997

Board of Directors
Safe Harbor, Inc.
Slidell, LA 70588

I have audited the financial statements of Safe Harbor, Inc. (a non-profit organization) as of June 30, 1997 and for the fiscal year ended, and have issued my report thereon dated December 19, 1997.

I conducted my 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 I 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 Safe Harbor, Inc. is the responsibility of Safe Harbor, Inc.'s management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of Safe Harbor, Inc.'s compliance with certain provisions of laws, regulations, contracts and grants. However, the objective of my audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

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

This report is intended for the information of the Board of Directors, management, grantors and the Legislative Auditor. However, this

understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine by auditing procedures for the purposes of expressing an opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

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

Failures in the operation of the internal control structure

The size of the Organization's operations and its limited staff preclude an adequate segregation of duties and other features of an adequate system of internal control. However, it would not be cost beneficial for Safe Harbor, Inc. to change its present system.

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

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

This report is intended for the information of the Board of Directors, management, grantors and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Dolphine A. Cussar, CPA
Dolphine A. Cussar, CPA

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE
ISSUED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT ACCOUNTING STANDARDS**

December 17, 1997

Board of Directors
Safe Harbor, Inc.
Bridell, LA 70498

I have audited the financial statements of Safe Harbor, Inc. (a nonprofit organization) as of and for the year ended June 30, 1997 and have issued my report thereon dated December 17, 1997.

I conducted my audit in accordance with generally accepted auditing standards and with Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of Safe Harbor, 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, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Risk 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 my audit of the financial statements of Safe Harbor, Inc. for the year ended June 30, 1997, I obtained an un-

SUPPLEMENTARY INFORMATION RELATED TO FEDERAL AWARDS

Required by Government Accounting Standards and
OMB Circular A-113, Audits of Institutions of
Higher Education and Other Nonprofit Institutions

SAFE HARBOR, INC.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the Fiscal Year Ended June 30, 1997

NOTE 11 - SUBSEQUENT EVENTS (Continued)

same time, the high newspaper coverage moved many individuals and organizations in the community to demonstrate their support for the Safe Harbor Program by their many donations, some large and some small, which donations were used for the purpose they were given, namely to pay for the shelter's asbestos removal and roof repairs.

SAFE HARBOR, INC.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the Fiscal Year Ended June 30, 1997

NOTE 8 - FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

	Carrying Amount	Fair Value
Cash and cash equivalents	\$0,944	\$0,944

NOTE 9 - FUNDRAISERS

There was one major fundraiser during fiscal year ended June 30, 1997. Invitations were extended to sponsors, friends, donors and other interested persons to attend and enjoy gourmet food, live music, entertainment, fun and fellowship as well as a silent auction of donated items. This fundraiser generated \$12,889 and incurred expenses of \$5,444 for net proceeds of \$7,445.

NOTE 10 - RENT & RENTAL COMMITMENTS

Safe Harbor, Inc. leases its twenty-six bed facility under a lease expiring on August 31, 1997. Rent is \$1,000 per month. Upon proper notification, the lease provides for a continuous renewal term of one year.

The minimum rental commitment under the lease is \$2,000 for year ended June 30, 1997.

NOTE 11 - SUBSEQUENT EVENTS

At year end, management of Safe Harbor, Inc. discovered a leaky roof problem. Repairs were effected and during the course of the repairs, it was discovered that the Safe Harbor shelter had asbestos problems with regard to the type of insulation used between the roof and the ceiling at the time of its construction. During the first few days of its next fiscal year, the shelter was officially closed for about a month so that asbestos removal could be effected and the necessary repairs therefrom could be completed. During the time the shelter was closed, Safe Harbor arranged for confidential shelter care for its clients at various other establishments and community care facilities. Finally on July 15, 1997, repairs were completed enough to pass inspection by the appropriate government officials and the shelter was again operational. The reopening of the shelter removed any concerns the public in general may have had because of the negative publicity resulting from the newspaper coverage of the incident but, at the

SAFE HARBOR, INC.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the Fiscal Year Ended June 30, 1997

NOTE 4 - PROPERTY AND EQUIPMENT (Continued)

Costs of Assets as of 06/30/97	\$51,125
Less Accumulated Depreciation	<u>20,798</u>
Net Book Value as of 06/30/97	\$30,327

NOTE 5 - TEMPORARY RESTRICTIONS ON ASSETS

Temporarily restricted net assets are available for the following program service expenses:

Children's coordinator	\$ 3,724
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NOTE 6 - ACCRUED EMPLOYEE BENEFITS

No amount has been reflected in the financial statements for accrued compensated absences as the amount cannot be reasonably estimated.

NOTE 7 - DONATED MATERIALS AND SERVICES

The value of donated materials and services included in the financial statements for the year ended June 30, 1997 is as follows:

Assets	
Household furniture	\$ 2,000
Donated facilities and services	
Donated professional services	12,150
Donated office facilities	<u>4,500</u>
Total	\$17,650

NOTE 8 - FAIR VALUES OF FINANCIAL INSTRUMENTS

Required by Statement of Accounting Standards (SAP) No. 107, Disclosures about Fair Value of Financial Instruments, disclosure of fair value information about certain financial instruments is required, whether or not recognized in the statement of financial position, for which it is practicable to estimate that value. The following methods and assumptions were used in estimating fair values:

SAFE HARBOR, INC.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the Fiscal Year Ended June 30, 1997

NOTE 2 - GRANTS FROM GOVERNMENTAL AGENCIES (Continued)

Shelter Grants Program. Also, funds of \$86,963 were received under a contract with the State of Louisiana, Office of Women's Services and included \$22,262 of Federal funds through the Family Violence Prevention and Services Act.

NOTE 3 - ACCOUNTS RECEIVABLE

The accounts receivable is due from various grantors listed below for services provided through June 30, 1997. All receivables are expected to be received in a timely manner. The accounts receivable balance consists of the following:

Due from Office of Women's Services	\$27,768
Due from Office of Community Services	4,942
Total	\$32,710

NOTE 4 - PROPERTY AND EQUIPMENT

Depreciation is calculated using the straight line method over a useful life of five years. Property, plant and equipment consists of the following:

	Costs as of		Costs as of
Property & Equip.	06/30/96	Additions	06/30/97
Furniture & fixtures	\$ 16,315	\$ 1,595	\$ 17,910
Playground equipment	7,545		7,545
Leasehold improvements	22,670		22,670
TOTALS	\$ 46,530	\$ 1,595	\$ 48,125
	*****	*****	*****

	Accum. Depr. as of		Accum. Depr. as of
Property & Equip.	06/30/96	Expensed	06/30/97
Furniture & fixtures	\$ 5,259	\$ 3,457	\$ 8,716
Playground equipment	5,491	1,509	6,999
Leasehold improvements	6,921	6,921	13,842
TOTALS	\$ 17,671	\$ 11,887	\$ 29,557
	*****	*****	*****

SAFE HARBOR, INC.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the Fiscal Year Ended June 30, 1997

B. Significant Accounting Policies (Continued)

(10) Donated Office Facilities (Continued)

In Bossell, Louisiana have been donated by the St. Tammany Parish Police Jury as a place to conduct business with the general public so that the physical location of the battered women's shelter can remain confidential. Accordingly, Safe Harbor, Inc. recognized \$4,500 for building lease expenses for the separate business office space. The amount is included in contributions and building lease expenses.

(11) Income Taxes

Safe Harbor, Inc. is exempt from Federal income taxes under Section 501(c)(13) of the Internal Revenue Code and is such qualified for the charitable contributions deduction. In addition, the organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 501(c)(13) of the Internal Revenue Code. Accordingly, there is no provision for federal or state income taxes.

(12) Operations

Safe Harbor, Inc. entered into a reimbursement contract with the State of Louisiana, Office of Women's Services, and State of Louisiana, Department of Social Services, Office of Community Services and Children's Trust Fund whereby all expenses incurred with the temporary housing program at the facility would be reimbursed to these institutions upon presentation of expenses incurred.

(13) Total Columns

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

NOTE D - GRANTS FROM GOVERNMENTAL AGENCIES

Included in the grants from governmental agencies is \$25,758 received from the St. Tammany Parish Police Jury through an agreement with the Louisiana Department of Social Services, Office of Community Services and Children's Trust Fund. These funds are from the HUD/Emergency

SAFE HARBOR, INC.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the Fiscal Year Ended June 30, 1997

B. Significant Accounting Policies (Continued)

(7) Functional Allocation of Expenses

The cost of providing the program and administering the related supporting services have been summarized on a functional basis in the statement of activities. Accordingly, expenses that benefit both program and supporting services have been allocated using management's estimates.

Safe Harbor, Inc.'s activities of fundraising and membership services in many cases include purposes or contents related to a program service. American Institute of Certified Public Accountants Statement of Position SF-2 states that joint costs of informational materials or activities should be allocated between fundraising and the appropriate program or general function if it can be demonstrated that a program or general function has been performed in conjunction with the appeal for funds. Although Safe Harbor, Inc. has the ability to give evidence for such combined activities, it does not allocate these portions from its fundraising and membership activities to program services.

(8) Donated Materials

Safe Harbor, Inc. records the value of donated goods when there is an objective basis available to measure their value. Accordingly, no amounts have been reflected on the statements for donated food and clothing as no objective basis is available to measure the value of such goods.

(9) Donated Services

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 identifiable assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Accordingly, Safe Harbor, Inc. recognized \$12,150 for professional counseling services donated by various psycho-social professionals. The amount is included in Contributions and client services expenses.

(10) Donated Office Facilities

Office facilities located in the Towers Building on Old Spanish Trail

SAFE HARBOR, INC.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the Fiscal Year Ended June 30, 1997

B. Significant Accounting Policies (Continued)

12) Contributions (Continued)

The Organization reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated asset must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Except explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

13) Property and Equipment

Land, major renovations and major repairs and equipment are stated at cost at the date of acquisition or renovation, or, if donated, at fair value at date of donation. Minor renovations and repairs are charged to operations and maintenance as incurred. Depreciation of furniture and equipment is provided on the straight-line basis over an estimated useful life of five years. Leasehold improvements are amortized over an estimated useful life of ten years. Amortization expense of leasehold improvements is included in the depreciation expense reported on the financial statements.

14) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make 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 assets and expenses during the reported period. Actual results could differ from those estimates.

15) Cash and Cash Equivalents and Concentrations of Credit Risk

Cash and cash equivalents consist of cash held in checking accounts. Management believes Safe Harbor, Inc. is not exposed to any significant credit risk on cash and cash equivalents.

16) Member Dues

Members' dues are recognized as revenue when received.

SAFE HARBOR, INC.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the Fiscal Year Ended June 30, 1997

B. Significant Accounting Policies (Continued)

(ii) Financial Statement Presentation (Continued)

imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of Safe Harbor, Inc.

Net assets of the two restricted classes are created only by donor imposed restrictions on their use. All other net assets, including board-designated or appropriated amounts, are legally unrestricted, and are reported as part of the unrestricted class.

Safe Harbor, Inc. does not have any permanently restricted net assets for fiscal year ended June 30, 1997.

Revenues are reported as increases in unrestricted net assets, unless use of the related assets is limited by donor-stipulated restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets, unless their use is restricted by explicit donor stipulations or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

(2) Contributions

Safe Harbor, Inc. has adopted Statement of Financial Accounting Standards (SFAS) No. 116, Accounting for Contributions Received and Contributions Made. In accordance with SFAS No. 116, contributions are recognized when the donor makes a promise to give and are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Safe Harbor, Inc. reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

SAFE HARBOR, INC.

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 1997

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

A. Organization

(1) Safe Harbor, Inc. was incorporated to provide services to women and their dependent children who are victims of domestic violence. It operates a twenty-one bed facility which provides temporary housing for its clients. Clients also receive food, clothing, free medical and dental care as well as information on housing, legal and welfare aid, educational assistance, training and employment counseling.

(2) Economic Dependence

Safe Harbor, Inc. is significantly funded by the State of Louisiana, Office of Women's Services. Should the Office of Women's Services cut its funding or disallow items, Safe Harbor, Inc. would be required to reduce its services.

B. Significant Accounting Policies

(1) Financial Statement Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-For-Profit Organizations. Under SFAS No. 117, Safe Harbor, Inc. is required to report its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Also required is the presentation of a statement of cash flows.

Unrestricted net assets represent those assets which the organization may use at its discretion.

Temporarily restricted net assets result from contributions and other inflows of assets whose use by the organization is limited by donor-imposed stipulations that either expire by passage of time or may be fulfilled and removed by actions of Safe Harbor, Inc. pursuant to those stipulations.

Permanently restricted net assets result from contributions and other inflows of assets whose use by the organization is limited by donor-

SAFE HARBOR, INC.
STATEMENT OF FUNCTIONS, EXPENSES
For the Fiscal Year Ended June 30, 1977

	Program Services	Management & General	Grant Expenses	Fund-raisings	Total
Compensation and related expenses:					
Compensation:					
Executive Director	\$ 28,000	\$ 2,884	-	-	\$ 30,884
Social Worker	12,273	-	-	-	12,273
Children's Coordinator	7,712	-	-	-	7,712
Resident Aides	20,710	-	-	-	20,710
Cook	627	-	-	-	627
Office Administrator	9,153	4,929	-	-	14,082
Retiree Staff	4,490	-	-	-	4,490
Boardmember	-	5,024	-	-	5,024
Related benefits:					
Payroll taxes	8,337	1,077	-	-	9,414
Advertising	182	-	-	-	182
Automobile	1,388	-	-	-	1,388
Audit	1,500	-	-	-	1,500
Accounting	-	2,374	-	-	2,374
Bank charges	-	109	-	-	109
Client transportation	3,152	-	-	-	3,152
Client services	14,937	-	-	-	14,937
Labels	10,000	-	-	-	10,000
Dues & subscriptions	830	172	-	-	1,002
Depreciation	5,939	1,985	-	-	7,924
Grant expenses	-	-	892	-	892
Fundraising expenses	-	-	-	5,446	5,446
Miscellaneous	505	-	-	-	505
Maintenance-equipment	2,346	163	-	-	2,509
Maintenance-building	2,162	-	-	-	2,162
Meetings & conventions	1,388	-	-	-	1,388
Postage	-	1,537	-	-	1,537
Office	-	4,721	-	-	4,721
Insurance	3,144	2,123	-	-	5,267
Utilities	4,210	-	-	-	4,210
Telephone	5,625	255	-	-	5,880
Building lease	12,000	4,500	-	-	16,500
Children's program supplies	62	-	-	-	62
Fees & permits	93	-	-	-	93
Supplies:					
Facility supplies	180	-	-	-	180
Client supplies	134	-	-	-	134
Food supplies	2,857	-	-	-	2,857
Total	\$174,579	\$ 30,621	\$ 892	\$ 5,446	\$211,538

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

SAFE HARBOR, INC.

STATEMENT OF CASH FLOWS

For the Fiscal Year Ended June 30, 1997

CASH FLOWS FROM OPERATING ACTIVITIES	
(Decrease) in net assets	\$122,600
Adjustments to reconcile increase	
(decrease) in net assets to net cash	
provided by operating activities:	
Depreciation	7,510
(Increase) decrease in operating assets	
Accounts receivable - grants and contracts	(4,050)
Accounts receivable -other	110
Unconditional promises to give	18,240
Prepaid expenses	2,900
Increase (decrease) in operating liabilities	
Accounts payable	(3,000)
Payroll taxes payable	3,250
NET CASH PROVIDED BY OPERATING ACTIVITIES	13,210
CASH FLOWS FROM INVESTING ACTIVITIES	
Payments for property and equipment	(11,550)
NET CASH USED BY INVESTING ACTIVITIES	(11,550)
NET INCREASE (DECREASE) IN CASH AND	
CASH EQUIVALENTS	(4,800)
BEGINNING CASH AND CASH EQUIVALENTS	\$3,710
NET CASH AND CASH EQUIVALENTS	\$ 8,910

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

ONE HARBOR, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Fiscal Year Ended June 30, 1997

CHANGES IN UNRESTRICTED NET ASSETS	
Revenue and support:	
Grants and contracts	\$ 3,000
Contributions	26,495
Membership dues	100
Special events	16,815
Net assets released from restrictions	128,716
TOTAL UNRESTRICTED REVENUE AND SUPPORT	245,126
EXPENSES:	
Program services	179,515
Supporting services:	
Management and general	20,113
Branch expenses	892
Fundraising	5,685
TOTAL EXPENSES	206,205
INCREASE IN UNRESTRICTED NET ASSETS	138,921
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS	
State Grants - funding for current year	95,000
Other grants and contracts for the current year	22,000
Interest income	227
Net assets released from restrictions	112,700
DECREASE IN TEMPORARILY RESTRICTED NET ASSETS	(129,927)
DECREASE IN NET ASSETS	(91,006)
NET ASSETS AT BEGINNING OF YEAR	80,000
NET ASSETS AT END OF YEAR	\$ 89,000

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

SAFE HARBOR, INC.

STATEMENT OF FINANCIAL POSITION

JUNE 30, 1997

<u>ASSETS</u>	
Current Assets:	
Cash and cash equivalents	\$ 11,488
Accounts receivable, grants and contracts (Note 3)	22,791
Prepaid expenses	3,719

Total Current Assets	38,000
Fixed Assets (Note 4):	
Equipment	7,545
Furniture and fixtures	17,920
Leasehold improvements	22,670

	48,135
Less: Accumulated depreciation	(20,794)
	27,341
Securities deposits	1,535

TOTAL ASSETS	\$ 67,016

LIABILITIES AND NET ASSETS

Current Liabilities:	
Payroll taxes payable	\$ 2,490

Total Curr. Liabilities	2,490
Net Assets:	
Unrestricted net assets	61,020
Temporarily restricted net assets (Note 3)	3,504

Total Net Assets	64,524
TOTAL LIABILITIES AND NET ASSETS	\$ 67,016

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

DELPHINE A. CUPPAY

MEMBER, INDEPENDENT ACCOUNTANTS
No. 100, 1000
Lafayette, LA 70001
(504) 485-0000

INDEPENDENT AUDITOR'S REPORT

December 19, 1997

Board of Directors
Safe Harbor, Inc.
Bridell, LA 70458

I have audited the accompanying Statement of Financial Position of Safe Harbor, Inc. (a nonprofit organization) as of June 30, 1997 and the related Statement of Activities and Changes in Net Assets, Statement of Cash Flows and Statement of Functional Expenses for the fiscal year then ended. These financial statements are the responsibility of Safe Harbor, Inc.'s management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Safe Harbor, Inc. as of June 30, 1997, and the changes in its net assets and its cash flows for the fiscal year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued reports dated December 19, 1997 on my consideration of Safe Harbor, Inc.'s internal control structure and on its compliance with laws and regulations.

Delphine A. Cuppay, CPA
Delphine A. Cuppay, CPA

SAFE HARBOR, INC.
 REPORT OF THE AUDIT OF THE FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 1997

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SAFE HARBOR, INC.

REPORT OF THE AUDIT OF THE FINANCIAL STATEMENTS

For the Fiscal Year Ended 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, orally 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 04/15/08