

**Southeast Spouse Abuse Program d/b/a
Southeast Advocates for Family Empowerment
Annual Financial Statements
As of and for the Year Ended June 30, 2019**

Southeast Spouse Abuse Program
Annual Financial Statements
As of and for the Year Ended June 30, 2019
With Other Supplemental Information Schedules

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Minda B. Raybourn

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Southeast Spouse Abuse Program
d/b/a Southeast Advocates for Family Empowerment
Hammond, Louisiana

I have audited the accompanying financial statements of Southeast Spouse Abuse Program d/b/a Southeast Advocates for Family Empowerment (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Southeast Spouse Abuse Program d/b/a Southeast Advocates for Family Empowerment as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

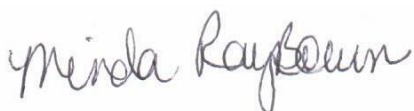
Other Matters

Other Information

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of compensation, benefits, and other payments to agency head on page 18 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated December 1, 2019, on my consideration of Southeast Spouse Abuse Program d/b/a Southeast Advocates for Family Empowerment's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Southeast Spouse Abuse Program d/b/a Southeast Advocates for Family Empowerment's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Southeast Spouse Abuse Program d/b/a Southeast Advocates for Family Empowerment's internal control over financial reporting and compliance.



Minda Raybourn CPA
Franklinton, LA

December 1, 2019

Financial Statements

Southeast Spouse Abuse Program

Statement A

**Statement of Financial Position
As of June 30, 2019**

	<u>2019</u>
Assets	
Current Assets	
Cash and Cash Equivalents	\$ 221,724
Receivables, Net	
Grant Receivables, Net	149,262
Other Receivable	7,704
Unconditional Promises to Give, United Way	26,076
Prepaid Insurance and Deposits	<u>10,396</u>
Total Current Assets	<u>415,162</u>
 Property, Plant, and Equipment	
Land	21,150
Property, Plant and Equipment, Net	<u>120,041</u>
Total Property, Plant, and Equipment	<u>141,191</u>
 Total Assets	 \$ <u><u>556,353</u></u>
 Liabilities	
Current Liabilities	
Accounts Payable	\$ 165
Other Accrued Payables	<u>23,394</u>
Total Current Liabilities	<u>23,559</u>
 Total Liabilities	 <u>23,559</u>
 Net Assets	
Without Donor Restrictions	<u>532,794</u>
Total Net Assets	<u>532,794</u>
Total Liabilities and Net Assets	\$ <u><u>556,353</u></u>

The accompanying notes are an integral part of these statements.

Southeast Spouse Abuse Program

Statement B

Statement of Activities For the Year Ended June 30, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating Revenues			
Public Support			
Grants			
Department of Children and Family Services:			
Family Violence and Intervention Program	\$ -	\$ 198,938	\$ 198,938
Office of Women's Policy:			
Louisiana Marriage License Fund	22,040	-	22,040
Louisiana Commission on Law Enforcement:			
Legal Assistance for Victims	-	24,375	24,375
Louisiana Coalition Against Domestic Violence	-	4,000	4,000
Crime Victim's Assistance	-	115,684	115,684
Stop Violence Against Women Act	-	4,502	4,502
Interest on Lawyers Trust Account	-	15,408	15,408
Department of Housing and Urban Development:			
Extended Housing	-	120,002	120,002
Unconditional Promises to Give:			
United Way	28,995	-	28,995
Contributions	2,999	-	2,999
Other	2,231	-	2,231
Investment Income	30	-	30
Net Assets Released from Restrictions	482,909	(482,909)	-
Total Operating Revenues	<u>539,204</u>	<u>-</u>	<u>539,204</u>
Operating Expenses			
Program Services	439,088	-	439,088
Management and General	89,416	-	89,416
Fund Raising	-	-	-
Total Operating Expenses	<u>528,504</u>	<u>-</u>	<u>528,504</u>
Change in Net Assets	<u>10,700</u>	<u>-</u>	<u>10,700</u>
Total Net Assets, Beginning	<u>522,094</u>	<u>-</u>	<u>522,094</u>
Total Net Assets, Ending	<u>\$ 532,794</u>	<u>\$ -</u>	<u>\$ 532,794</u>

The accompanying notes are an integral part of these statements.

Southeast Spouse Abuse Program

Statement C

Statement of Functional Expenses For the Year Ended June 30, 2019

Expenses	Program Expenses	Management General	Fund Raising	Total
Salaries and Wages	\$ 159,771	\$ 52,014	\$ -	\$ 211,785
Employee Benefits	33,311	10,845	-	44,156
Advertising	817	4,206	-	5,023
Client Expenses				
Apartments	44,553	-	-	44,553
Emergency Needs	64,141	-	-	64,141
Depreciation	6,165	1,207	-	7,372
Dues & Subscriptions	5,654	1,107	-	6,761
Equipment Acquisitions	3,921	768	-	4,689
Fundraising	-	-	-	-
Insurance	10,851	923	-	11,774
Lawn Care and Janitorial	2,772	236	-	3,008
Maintenance	14,005	2,741	-	16,746
Miscellaneous	4,932	966	-	5,898
Postage	509	100	-	609
Professional	44,173	8,646	-	52,819
Program Travel	11,061	-	-	11,061
Supplies	13,299	2,603	-	15,902
Telephone	5,772	1,129	-	6,901
Training	7,123	1,393	-	8,516
Utilities	6,258	532	-	6,790
Total Expenses	\$ 439,088	\$ 89,416	\$ -	\$ 528,504

The accompanying notes are an integral part of these statements.

Southeast Spouse Abuse Program

Statement D

**Statement of Cash Flows
For the Year Ended June 30, 2019**

Cash Flows from Operating Activities

Change in Net Assets	\$ 10,700
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	7,372
Changes in Operating Assets and Liabilities	
(Increase) Decrease in Receivables	67,410
(Increase) Decrease in Prepaid Insurance	(493)
Increase (Decrease) in Accounts Payable	(5,568)
Increase (Decrease) in Accrued Payables	4,361
Net Cash Provided (Used) by Operating Activities	<u>83,782</u>

Cash Flows from Investing Activities

Purchases of Property, Plant, and Equipment	<u>(5,226)</u>
Net Cash Provided (Used) by investing Activities	<u>(5,226)</u>

Net Cash Increase (Decrease) in Cash and Cash Equivalents	78,556
Cash and Cash Equivalents, Beginning of Year	<u>143,168</u>
Cash and Cash Equivalents, End of Year	<u>\$ 221,724</u>

The accompanying notes are an integral part of these statements.

**Southeast Spouse Abuse Program
Notes to the Financial Statements
As of and for the Year Ended June 30, 2019**

Introduction

The Southeast Spouse Abuse Program (the Program) was originally established as the Tri Parish Spouse Abuse Program in 1981. The Program changed its name to the Southeast Spouse Abuse Program in March of 1982, when Washington Parish was added to the service area. In March of 2012, the Program began doing business as Southeast Advocates for Family Empowerment (SAFE). The Program is a nonprofit corporation for the purpose of providing the following:

Emotional and psychological support to victims of family violence through the provision of crisis intervention and support counseling, advocacy, and referrals for other forms of necessary assistance.

Information on the alternatives available to abused spouses, including information on shelter, public benefits, and legal and criminal justice systems.

Assistance to victims of family violence in establishing lives free from violence through help in searching for employment, housing and child care.

Education to the people of Tangipahoa, St. Helena, Livingston, and Washington Parishes about the issues, concerns, and problems involved in family violence. This includes the training of law enforcement, health care, social service, and legal personnel who affect the lives of abused spouses.

1. Summary of Significant Accounting Policies

A. Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

B. Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

C. 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 in the financial statements. Estimates and assumptions may also affect disclosure of contingent assets and liabilities at the date of the financial statement, and the reported amounts of revenues and expenses. Actual results could differ from management's estimates.

**Southeast Spouse Abuse Program
Notes to the Financial Statements
As of and for the Year Ended June 30, 2019**

D. Cash and Cash Equivalents

The Program's cash and cash equivalents are considered to be cash on hand, demand deposits, time deposits, and short-term investments with original maturities of three months or less from the date of acquisition. At June 30, 2019, the Organization had \$221,724 in demand deposits (collected bank balances), at three different financial institutions each insured by Federal Deposit Insurance of \$250,000 and was fully covered. Statement of Financial Accounting Standards No. 105 identifies deposits maintained at financial institutions in excess of federally insured limits as a concentration of credit risk requiring disclosure, regardless of the degree of risk.

E. Investments

Investments are reported at fair value. Investment income classified as operating revenue consists of interest and dividend income on investments and gains approved for use in operations. All other realized and unrealized gains or losses are classified as non-operating activity and are available to support operations in future years and to offset potential market declines. Investments classified as current are available for operations in the next fiscal year.

Various methods and assumptions were used to estimate the fair value of each class of financial instruments. Cash and cash equivalents are valued at their carrying amount due to their short maturities. Investments are reported at fair value based on quoted market prices. Debt is valued at rates currently available to the Program for issuances with similar terms and remaining maturities.

F. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out method. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

G. Property and Equipment

Purchases of land, buildings, and other property having a unit cost per established guidelines and a useful life of three or more years are capitalized at cost. Donated assets are capitalized at the estimated fair value at date of receipt. Interest expense incurred during a period of construction, less related interest income earned on proceeds of tax-exempt borrowings, is capitalized. Property under capital leases is amortized over the lease term. Any gain or loss on sale of land, buildings and other property is reported as other revenues on the statement of activities.

The Program maintains a threshold level of \$2,000 or more for capitalization of property and equipment and depreciates all capitalized assets, other than land over the following estimated useful lives: buildings, thirty-nine years and computers, office furniture and equipment, five years.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

**Southeast Spouse Abuse Program
Notes to the Financial Statements
As of and for the Year Ended June 30, 2019**

H. Revenue Recognition

Contributions received are recorded as increases in net assets without donor restrictions or with donor restrictions depending on the existence and/or nature of any donor restrictions.

All donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Contributions, which include unconditional promises to give (pledges), are recognized as revenues in the period received or promised.

I. Concentration of Revenue

The Organization had the following concentration of operating revenue sources for the fiscal year ending June 30, 2019:

Grants		
Department of Children and Family Services	\$ 198,938	37%
Office of Women's Policy	22,040	4%
Legal Assistance for Victims	24,375	5%
Louisiana Commission on Law Enforcement	115,684	21%
Stop Violence Against Women Act	4,502	1%
Interest on Lawyers Trust Account	15,408	3%
Louisiana Coalition Against Domestic Violence	4,000	1%
Department of Housing and Urban Development	120,002	22%
Promises to Give		
United Way	28,995	5%
Other Revenues		
Contribution, and Other	5,230	1%
Investment	30	-
Total Revenues	<u>\$ 539,204</u>	100%

Southeast Spouse Abuse Program
Notes to the Financial Statements
As of and for the Year Ended June 30, 2019

J. Contributed Services and Materials

Contributed services are reported at fair value in the financial statements for voluntary donations of services when those services (1) create or enhance non-financial assets or (2) require specialized skills provided by individuals possessing those skills and are services which would be typically purchased or not provided by donation. The Program did not record contributed services revenue for the year ended June 30, 2019.

Donated materials are recorded at their fair value at the date of the gift. The Program does not imply time restrictions for gifts of long-lived assets. As a result, in the absence of donor-imposed restrictions, gifts of long-lived assets are reported as increases in net assets without donor restrictions.

The Program receives donated clothing and supplies in an agency role from various donors with the restriction to disperse these supplies to women on an as needed basis. The Program maintains a listing of these items and assigns an estimated value at the time of donation. However, in accordance with FASB 116, Accounting for Contributions Received and Contributions Made, since the Program is only acting in an agency role, the value of the donated items and corresponding donations made out by the Program are not recorded in the financial statements.

K. Income Taxes

The Southeast Spouse Abuse Program is a not-for-profit Program. The Program is exempt from federal income taxes under Section 501 (c) (3) of the Internal Revenue Code, except on net income derived from unrelated business activities. The Program has been classified as a Program that is not a private foundation under Section 509 (a) (2) of the Internal Revenue Code and qualifies for the fifty percent charitable contribution deduction for individual donors. Under Fin 49 paragraph 21, three years of federal tax returns remain subject to examination.

L. New Accounting Pronouncements

Also during 2018, the Program adopted ASU No. 2016-14 –Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. This guidance is intended to improve the net asset classification requirement, the information presented in the financial statements and notes about a not-for-profit entity's liquidity, financial performance, and cash flows. Main provisions of this guidance include: presentation of two classes of net assets versus the previously required three. Unrestricted net assets will be classified as net assets without donor restrictions. Net assets previously classified as temporarily restricted and permanently restricted will be classified as net assets with donor restrictions.

**Southeast Spouse Abuse Program
Notes to the Financial Statements
As of and for the Year Ended June 30, 2019**

2. Receivables

The Organization anticipates collection of outstanding public support receivables as follows at June 30, 2019:

Grants

Department of Children and Family Services	
Family Violence and Intervention Program	\$ 57,119
Louisiana Marriage License Fund	1,947

Legal Assistance for Victims	14,375
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Louisiana Commission on Law Enforcement	
Stop Violence Against Women Act	
Crime Victim's Assistance	40,808

Department of Housing and Urban Development	35,013
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Unconditional Promises to Give	
Tangipahoa United Way	26,076

Other

Interest on Lawyer's Trust Account	7,704
Less: Allowance for uncollectible accounts	-
Total Receivables, Net	<u>\$ 183,042</u>

3. Financial Assets and Liquidity Resources

The following represents the organizations financial assets as of the statement of financial position date that are available to meet cash needs for general expenditure within one year.

Financial Assets:

Cash & Cash Equivalents	\$ 221,724
Grant Receivables	149,262
Unconditional Promises to Give	26,076
Interest on Lawyer's Trust Account	7,704
Total Financial Assets and Liquidity Resources Available within One Year	<u>\$ 404,766</u>

As part of the organizations liquidity management, it invests cash in excess of daily requirements in savings accounts at local banks.

**Southeast Spouse Abuse Program
Notes to the Financial Statements
As of and for the Year Ended June 30, 2019**

4. Promises to Give

Unconditional promises to give are reported at net realizable value if at the time the promise is made payment is expected to be received in one year or less. At June 30, 2018, the Program had a promise to give from United Way of Southeast Louisiana in the amount of \$26,076. Payment is expected to be received in one year or less from the date the promise was made.

5. Property and Equipment

The cost and accumulated depreciation of land, buildings, and other property were as follows at June 30, 2019:

	2019
Land	\$ 21,150
Buildings and Improvements	142,091
Furniture and Equipment	54,618
Less: Accumulated Depreciation	(76,668)
Property and Equipment, Net	\$ <u>141,191</u>

Depreciation expense of \$7,372 was recorded for the year ending June 30, 2019. A significant portion of the above fixed assets were acquired with restricted assets. The title to this property and equipment may revert to the State of Louisiana should the Program cease operations.

6. Accrued Vacation and Sick Leave

Vacation days are earned at the rate of eight hours per month that an employee satisfactorily completes work. No more than ten vacation days may be carried over from one calendar year to another. Compensation for days remaining will be paid upon termination of employment at the end of each pay period as if that employee had worked during the period. At June 30, 2019, accrued vacation payable is \$5,252.

Sick leave is earned at the rate of eight hours per month that an employee satisfactorily completes work. No more than fifteen days may be carried over from one calendar year to another. This benefit is not payable upon termination and therefore no accrual is made.

7. Allocation of Expenses

In some cases, common expenses are incurred which support the work performed under more than one grant or contract. Such expenses are allocated as agreed by the funding programs or in the absence of an agreement, on the basis which appears most reasonable to the Southeast Spouse Abuse Program.

**Southeast Spouse Abuse Program
Notes to the Financial Statements
As of and for the Year Ended June 30, 2019**

8. Retirement System

Employees of the Program are members of the social security system. In addition to employee payroll deductions, Program funds are remitted to match the employee contributions. Aggregate contributions to the Social Security system for the year ended June 30, 2019 were approximately \$32,406.

9. Contingent Liabilities

At June 30, 2019, the Program was not involved in any outstanding litigation or claims.

10. Subsequent Events

These financial statements considered subsequent events through December 1, 2019, the date the financial statements were available to be issued. No events were noted that require recording or disclosure in the financial statements for the fiscal year ending June 30, 2019.

Other Supplemental Information

**Southeast Spouse Abuse Program
Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended June 30, 2019**

Agency Head: Nnenna Minimah, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 50,003
Benefits - Insurance	3,750
Benefits - Retirement	-
Deferred Compensation	-
Benefits - Other-Supplemental Pay	-
Car Allowance	-
Vehicle Provided by Government	-
Vehicle Rental	-
Cell Phone	-
Dues	-
Per Diem	-
Reimbursements	-
Travel	2,325
Registration Fees	-
Conference Travel	832
Housing	-
Unvouchered Expenses	-
Special Meals	-
Other	-
	<u>\$ 56,910</u>

See independent auditor's report.

Minda B. Raybourn

*Certified Public Accountant
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of
Southeast Spouse Abuse Program
d/b/a Southeast Advocates for Family Empowerment
Hammond, LA

I have audited, in accordance with the 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, the financial statements of Southeast Spouse Abuse Program d/b/a Southeast Advocates for Family Empowerment (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated December 1, 2019.

Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered Southeast Spouse Abuse Program d/b/a Southeast Advocates for Family Empowerment's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Southeast Spouse Abuse Program d/b/a Southeast Advocates for Family Empowerment's internal control. Accordingly, I do not express an opinion on the effectiveness of Southeast Spouse Abuse Program d/b/a Southeast Advocates for Family Empowerment's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

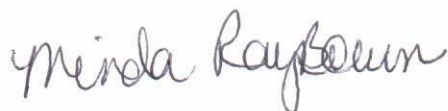
My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Southeast Spouse Abuse Program d/b/a Southeast Advocates for Family Empowerment's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Minda Raybourn".

Minda Raybourn CPA
Franklinton, LA

December 1, 2019

**Southeast Spouse Abuse Program d/b/a
Southeast Advocates for Family Empowerment**

**Schedule of Current Year Findings and Responses
As of and for the Year Ended June 30, 2019**

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's issued:	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Deficiency(s) in internal control not considered		
To be material weaknesses?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Noncompliance material to the financial		
statements noted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Management letter issued?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Federal Awards

There were not major federal awards for the Organization for the year ended June 30, 2019.

**Southeast Spouse Abuse Program d/b/a
Southeast Advocates for Family Empowerment
Schedule of Prior Year Findings and Responses
As of and for the Year Ended June 30, 2019**

Internal Controls over Financial Reporting

2018-001 - Internal Controls over Bank Reconciliations

Condition:

During our audit and review of internal accounting controls over bank reconciliations, we noticed several instances in which bank reconciliations are not being performed timely.

One instance for example, it was noted that the Operating Checking Account at Florida Parishes Bank for the month of November 2017 was received by the prior Executive Director on December 31, 2017, but was not reconciled until April 19, 2018.

Criteria:

The timely reconciliation of bank accounts is a critical control activity to determine if internal control processes are working as intended in reducing errors or irregularities that could occur in the normal course of business.

Cause:

The cause of the condition appears to be lack of oversight on the part of prior management.

Potential Effect of Condition:

Failure to perform bank reconciliations timely creates an environment in which errors or irregularities could occur and not be detected in a timely manner. This can lead to inaccurate general ledger cash balance amounts not being detected, can contribute to erroneous cash flow and budgetary information being provided to management and the board of directors, and hampering the decision making processes of the Organization as a whole. Additionally, a bank error, however rare or small, may go undetected if bank reconciliations are not performed in a timely manner.

Recommendations:

We recommend that all bank reconciliations be prepared monthly. Bank reconciliations should have documented review and approval by a member of management, and have any unusual reconciling items properly investigated timely.

Management's Response:

Per the management response dated December 27, 2018, that follows this report:

"During the last 6 months of the FYE 17-18 there has been transition in the Financial Officer and Executive Director positions. We have resolved this issue. We have hired a new Executive Director that started in May 2018. We have also outsourced our financial officer duties to an outside accounting firm, Phil Hebert, CPA."

Status:

Resolved.

2018-002 - Internal Controls for Bank Statement Supervisory Review

Condition:

During our audit and review of internal accounting controls over cash disbursements, we were unable to locate any evidence that the Executive Director or any board member reviewed the items clearing the bank statement each month when the bank statement was received from the bank.

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Criteria:

Proper internal accounting controls over cash disbursement require that someone independent of the accounting function receive the bank statement directly from the bank and review all items clearing the bank account for appropriateness before the bank statement is given to the accounting manager for reconciliation with the accounting records.

Cause:

The cause of the condition appears to be an oversight on the part of prior management and the governing board.

Potential Effect of Condition:

Failure to have someone independent of the accounting functions receive the bank statement unopened from the bank and review the items clearing the bank statement creates an environment in which anyone with access to the stock of blank checks or with electronic access to the bank account can prepare a fraudulent transaction and those transactions not be detected in a timely manner.

Recommendations:

We recommend that a board member receive unopened directly from the bank the monthly bank statement and review and approve all items clearing the bank statement. The board member should document their review and approval of the bank statement by signing and dating the face of the original bank statement.

Management's Response:

Per the management response dated December 27, 2018, that follows this report:

"During the last 6 months of the FYE 17-18 there has been transition in the Financial Officer and Executive Director positions. We have resolved this issue. We have hired a new Executive Director that started in May 2018. We have also outsourced our financial officer duties to an outside accounting firm, Phil Hebert, CPA."

Status:

Resolved.

2018-003 - Internal Controls over Fixed Assets

Condition:

During our audit and testing of property, plant, and equipment, we noted that the moveable fixed assets such as furniture, fixtures, and equipment were not properly being tagged or maintained in a permanent inventory listing.

We also noted that we were unable to locate any supporting documentation for the \$3,100 in building improvements that was capitalized in the audit period per the fixed asset depreciation schedule.

Criteria:

Proper internal accounting controls over personal property are required to prevent unauthorized use or loss due to casualty, theft or other loss. Furthermore, grantor agencies and federal regulations require that personal property be identified as to source of funding and inventory records maintained to reflect the assets acquired with each grant and supporting documentation placed in the file for support.

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Cause:

Failure on the part of the previous management to fully understand the requirements of each grant and federal regulations related to the purchase of fixed assets with grant funds and failure to design an adequate fixed asset inventory system and internal accounting controls to comply with those requirements.

Effect:

Lack of adequate internal accounting controls over personal property creates an environment in which assets could be used for unauthorized personal use by employees, could be lost due to casualty, theft or other causes and not be discovered in a timely manner or could result in a finding of noncompliance and questioned costs in the Organization's grant programs.

Recommendation:

We recommend that the Organization develop a fixed asset inventory system that contains the tag number, date acquired, vendor name, cost, serial number, location, source of funding, purchase support, and any other pertinent information about the asset. We further recommend that the Organization immediately conduct a physical search by location and tag and photograph all moveable items found. Once the initial inventory is created, it should be updated currently as purchases are made and a physical inventory should be taken at or near the end of the year to make sure all items on the inventory are still present.

Management's Response:

Per the management response dated December 27, 2018, that follows this report:

"During the last 6 months of the FYE 17-18 there has been transition in the Financial Officer and Executive Director positions. We have resolved this issue. We have hired a new Executive Director that started in May 2018. We have also outsourced our financial officer duties to an outside accounting firm, Phil Hebert, CPA."

Stauts:

Resolved.

2018-004 - Lack of Supporting Documentation Required for Grant Reimbursement Requests

Condition:

During our audit and review of internal accounting controls over requests for reimbursements from grantor agencies, we noticed the files for several grants were unorganized and did not contain adequate supporting documentation for the monthly/quarterly request for reimbursement made to the grantor agency.

Criteria:

Under the terms of each grant, federal regulations, and state law, the Organization is required to maintain adequate documentation relating to all expenditures charged to each individual grant program.

Cause:

This condition was caused because of a poorly designed filing system by prior management and grants manager which resulted in the files for each individual grant lacking sufficient documentation to reconcile the expenditures paid with the monthly / quarterly request for reimbursement to the grantor agency. The condition also appears to be due to lack of proper oversight by management of employee personnel and job their associated job performance duties.

Effect:

Failure to maintained detailed accounting records by individual grant program to support monthly / quarterly requests for reimbursement submitted to the grantor agencies creates an environment in which

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an audit finding of material noncompliance with a grant program could occur resulting in disallowance of costs and the possible reimbursement of funds received by the Organization to the grantor agency.

Recommendations:

We recommend the Organization maintain a 3-ring binder for each individual grant program. The binder should contain a copy of the approved request for reimbursement along with the following accounting records that reconcile to the monthly/quarterly approved request for reimbursement; (1) monthly/quarterly expenditure for the individual grant program, (2) copy of paid vendor invoices for the individual grant program, (3) copy of the payroll register for the month / quarter for all payroll charged to the individual grant, and (4) an other information required to reconcile the accounting records for the month/quarter to the monthly / quarterly request for reimbursement submitted to the grantor agency. The Organization should also work closely with the outside accountant to resolve any QuickBooks issues encountered.

Management Response:

Per the management response dated December 27, 2018, that follows this report:

"During the last 6 months of the FYE 17-18 there has been transition in the Financial Officer and Executive Director positions. We have resolved this issue. We have hired a new Executive Director that started in May 2018. We have also outsourced our financial officer duties to an outside accounting firm, Phil Hebert, CPA."

Status:

Resolved.

Compliance and Other Matters

None

Minda B. Raybourn

Certified Public Accountant

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Member
LCPA

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To Nnenna Minimah, Executive Director and The Board of Directors of
The Southeast Spousal Abuse Program
d/b/a Southeast Advocates for Family Empowerment
and the Louisiana Legislative Auditor:

I have performed the procedures enumerated below, which were agreed to by Southeast Spousal Abuse Program d/b/a Southeast Advocates for Family Empowerment (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

- a) ***Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Results: Procedures 1 and 2 addressing data backups and the storage of backups are addressed in the entity's financial policies and procedures on page 4. Procedure 4 regarding the use of antivirus software is addressed on page 73 of the entity's policies and procedures. Procedures 3, 5, and 6 are not addressed in policies and procedures.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

- 1. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Results: Management provided me with the listing of locations and representation that the listing is complete.

- 2. For each location selected under #1 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

Results: No exceptions were noted.

- b) At least two employees are involved in processing and approving payments to vendors.

Results: No exceptions were noted.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

Results: The external accountant processes payments and is not prohibited from adding/modifying vendor files. Another employee is not responsible for periodically reviewing changes to vendor files.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Results: No exceptions were noted.

- 3. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that

the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe that the disbursement matched the related original invoice/billing statement.

Results: No exceptions noted above.

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Results: No exceptions noted above.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

- 4. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Results: A listing of credit cards and debit cards was provided. Management's representation was obtained.

- 5. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.)]

Results: No exceptions noted.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

Results: The Office Depot card had finance charges of \$19.73.

- 6. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Results: No exceptions noted.

Other

7. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

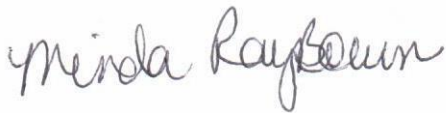
Results: No exceptions were noted.

8. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results: No exceptions were noted.

I was not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.



Minda Raybourn , CPA
Franklinton, LA

December 1, 2019