

**Southeast Spouse Abuse Program/dba
Southeast Advocates for Family Empowerment**

Annual Financial Statements

As of and for the Year Then Ended June 30, 2018

Southeast Spouse Abuse Program

Annual Financial Statements
As of and for the Year Ended June 30, 2018
With Other Supplemental Information Schedules

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Independent Auditor's Report

The Board of Directors of
Southeast Spouse Abuse Program
/dba/Southeast Advocates for Family Empowerment
Hammond, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the Southeast Spouse Abuse Program /dba/ Southeast Advocates for Family Empowerment (a nonprofit organization) which comprise the statement of financial position as of as of June 30, 2018, and the related statements of activities, functional expenses, and cash flows for the year 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

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 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, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Southeast Spouse Abuse Program /dba/ Southeast Advocates for Family Empowerment as of June 30, 2018, 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

Our 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 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 our 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*, we have also issued our report dated December 27, 2018, on our consideration of the Southeast Spouse Abuse Program /dba/ Southeast Advocates for Family Empowerment's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our 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 the Southeast Spouse Abuse Program /dba/ 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 the Southeast Spouse Abuse Program /dba/ Southeast Advocates for Family Empowerment's internal control over financial reporting and compliance.

*James Lambert Riggs
& Associates*

James Lambert Riggs and Associates, Inc.
Hammond, Louisiana

December 27, 2018

Southeast Spouse Abuse Program

Statement A

**Statement of Financial Position
As of June 30, 2018**

	<u>2018</u>
Assets	
Current Assets	
Cash and Cash Equivalents	\$ 143,168
Receivables, Net	
Governmental Revenues, Net	224,160
Unconditional Promises to Give, United Way	26,295
Prepaid Insurance and Deposits	9,901
Total Current Assets	<u>403,524</u>
Property, Plant, and Equipment	
Land	21,150
Property, Plant and Equipment, Net	122,187
Total Property, Plant, and Equipment	<u>143,337</u>
Total Assets	<u><u>\$ 546,861</u></u>
Liabilities	
Current Liabilities	
Accounts Payable	\$ 9,724
Other Accrued Payables	15,043
Total Current Liabilities	<u>24,767</u>
Total Liabilities	<u>24,767</u>
Net Assets	
Unrestricted	<u>522,094</u>
Total Net Assets	<u>522,094</u>
Total Liabilities and Net Assets	<u><u>\$ 546,861</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, 2018**

Operating Revenues	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Public Support			
Grants			
Department of Children and Family Services:			
Family Violence and Intervention Program	\$ -	\$ 191,834	\$ 191,834
Office of Women's Policy:			
Louisiana Marriage License Fund	23,203	-	23,203
Louisiana Commission on Law Enforcement:			
Louisiana Coalition Against Domestic Violence	-	15,656	15,656
Crime Victim's Assistance	-	133,455	133,455
Stop Violence Against Women Act	-	17,841	17,841
Interest on Lawyers Trust Account	-	16,000	16,000
Department of Housing and Urban Development:			
Extended Housing	-	255,455	255,455
Unconditional Promises to Give:			
United Way	26,113	-	26,113
Contributions	6,046	-	6,046
Other	4,338	-	4,338
Investment Income	23	-	23
Net Assets Released from Restrictions	630,241	(630,241)	-
Total Operating Revenues	<u>689,964</u>	<u>-</u>	<u>689,964</u>
 Operating Expenses			
Program Services	592,254	-	592,254
Management and General	102,377	-	102,377
Fund Raising	-	-	-
Total Operating Expenses	<u>694,631</u>	<u>-</u>	<u>694,631</u>
 Change in Net Assets	<u>(4,667)</u>	<u>-</u>	<u>(4,667)</u>
 Total Net Assets, Beginning	<u>526,761</u>	<u>-</u>	<u>526,761</u>
Total Net Assets, Ending	<u>\$ 522,094</u>	<u>\$ -</u>	<u>\$ 522,094</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, 2018**

Expenses	Program Expenses	Management General	Fund Raising	Total
Salaries and Wages	\$ 222,673	\$ 72,493	\$ -	\$ 295,166
Employee Benefits	44,163	14,377	-	58,540
Client Expenses				
Apartments	137,312	-	-	137,312
Emergency Needs	77,666	-	-	77,666
Depreciation	5,979	1,170	-	7,149
Dues & Subscriptions	9,515	1,862	-	11,377
Equipment Acquisitions	3,533	692	-	4,225
Fundraising	-	-	-	-
Insurance	10,869	925	-	11,794
Lawn Care and Janitorial	1,687	143	-	1,830
Maintenance	3,972	778	-	4,750
Miscellaneous	3,011	591	-	3,602
Postage	194	38	-	232
Professional	15,201	2,975	-	18,176
Program Travel	15,795	-	-	15,795
Supplies	14,852	2,907	-	17,759
Telephone	800	157	-	957
Training	10,304	2,016	-	12,320
Utilities	14,728	1,253	-	15,981
Total Expenses	\$ 592,254	\$ 102,377	\$ -	\$ 694,631

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, 2018**

Cash Flows from Operating Activities	
Change in Net Assets	\$ (4,667)
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	7,149
Changes in Operating Assets and Liabilities	
(Increase) Decrease in Receivables	(27,902)
(Increase) Decrease in Prepaid Insurance	(146)
Increase (Decrease) in Accounts Payable	1,841
Increase (Decrease) in Accrued Payables	408
Net Cash Provided (Used) by Operating Activities	<u>(23,317)</u>
 Cash Flows from Investing Activities	
Purchases of Property, Plant, and Equipment	<u>(3,100)</u>
Net Cash Provided (Used) by investing Activities	<u>(3,100)</u>
 Net Cash Increase (Decrease) in Cash and Cash Equivalents	(26,417)
Cash and Cash Equivalents, Beginning of Year	<u>169,585</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 143,168</u></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, 2018**

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. Restrictions on Net Assets

Revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Program and changes therein are classified and reported as follows:

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

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations on their use that may be met either by actions of the Program or the passage of time.

Permanently restricted net assets - Net assets subject to donor-imposed or other legal restrictions requiring that the principal be maintained permanently by the Program. Generally, the donors permit the Program to use all or part of the income earned for either general or donor-specific purposes.

**Southeast Spouse Abuse Program
Notes to the Financial Statements
As of and for the Year Ended June 30, 2018**

B. 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.

C. 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, 2018, the Organization had \$143,299 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.

D. 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.

E. 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.

F. 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.

**Southeast Spouse Abuse Program
Notes to the Financial Statements
As of and for the Year Ended June 30, 2018**

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.

G. Revenue Recognition

Contributions, which include unconditional promises to give (pledges), are recognized as revenues in the period received or promised. Conditional contributions are recorded when the conditions have been met. Contributions are considered to be unrestricted unless specifically restricted by the donor.

The Program reports contributions in the temporarily or permanently restricted net asset class if they are received with donor stipulations as to their use. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are released and reclassified to unrestricted net assets in the consolidated statement of activities. Donor-restricted contributions are initially reported in the temporarily restricted net asset class, even if it is anticipated such restrictions will be met in the current reporting period.

Product or service revenue is generally recognized upon delivery of the product of services to the customer.

Gains and losses on investments and other assets and liabilities are reported as increases and decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

**Southeast Spouse Abuse Program
Notes to the Financial Statements
As of and for the Year Ended June 30, 2018**

H. Concentration of Revenue

The Organization had the following concentration of operating revenue sources for the fiscal year ending June 30, 2018:

Governmental Revenues

Grants		
Department of Children and Family Services	\$ 191,834	28%
Office of Women's Policy	23,203	3%
Louisiana Commission on Law Enforcement	133,455	19%
Stop Violence Against Women Act	17,841	3%
Interest on Lawyers Trust Account	16,000	2%
Louisiana Coalition Against Domestic Violence	15,656	2%
Department of Housing and Urban Development	255,455	37%
Promises to Give		
United Way	26,113	4%
Other Revenues		
Contribution, and Other	10,384	2%
Investment	23	-
Total Operating Revenue	\$ 689,964	100%

I. 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, 2018.

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 unrestricted revenue.

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.

**Southeast Spouse Abuse Program
Notes to the Financial Statements
As of and for the Year Ended June 30, 2018**

J. 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.

2. Receivables

The Organization anticipates collection of outstanding public support receivables as follows at June 30, 2018:

Governmental Revenues

Grants

Department of Children and Family Services			
Family Violence and Intervention Program	\$		69,148
Louisiana Marriage License Fund			4,248
Louisiana Commission on Law Enforcement			
Stop Violence Against Women Act			8,555
Crime Victim's Assitance			70,059
Department of Housing and Urban Development			72,150

Unconditional Promises to Give

Tangipahoa United Way			26,295
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Other

Less: Allowance for uncollectible accounts			-
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Total Receivables, Net	\$	250,455
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**Southeast Spouse Abuse Program
Notes to the Financial Statements
As of and for the Year Ended June 30, 2018**

3. Property and Equipment

The cost and accumulated depreciation of land, buildings, and other property were as follows at June 30, 2018:

	2018
Land	\$ 21,150
Buildings and Improvements	142,091
Furniture and Equipment	49,392
Less: Accumulated Depreciation	(69,296)
Property and Equipment, Net	\$ 143,337

Depreciation expense of \$7,149 was recorded for the year ending June 30, 2018. 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.

4. 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, 2018, accrued vacation payable is \$5,200.

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.

5. 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, 2018**

6. 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, 2018 were approximately \$46,488.

7. Contingent Liabilities

At June 30, 2018, the Program was not involved in any outstanding litigation or claims.

8. Subsequent Events

These financial statements considered subsequent events through December 27, 2018, 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, 2018.

Other Supplemental Information

**Southeast Spouse Abuse Program
Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended June 30, 2018**

Agency Head: Pamela Hutcheson, Executive Director

Agency Head: Nnenna Minimah, Executive Director

<u>Purpose</u>	<u>Pam Hutcheson Amount</u>	<u>Nnenna Minimah Amount</u>
Salary	\$ 42,839	\$ 9,193
Benefits - Insurance	2,700	450
Benefits - Retirement	-	-
Deferred Compensation	-	-
Benefits - Other-Supplemental Pay	-	-
Car Allowance	-	-
Vehicle Provided by Government	-	-
Vehicle Rental	-	-
Cell Phone	-	-
Dues	-	-
Per Diem	-	-
Reimbursements	-	-
Travel	2,100	1,287
Registration Fees	-	-
Conference Travel	-	-
Housing	-	-
Unvouchered Expenses	-	-
Special Meals	-	-
Other	-	-
	<u>\$ 47,639</u>	<u>\$ 10,930</u>

See auditor's report.

Other Independent Auditor's Reports,
Findings, and Recommendations



**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 Board of Directors of
Southeast Spouse Abuse Program
/dba/ Southeast Advocates for Family Empowerment
Hammond, Louisiana

We have audited, 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, the financial statements of the Southeast Spouse Abuse Program /dba/ Southeast Advocates for Family Empowerment (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 27, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Southeast Spouse Abuse Program /dba/ 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 our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Southeast Spouse Abuse Program/dba/Southeast Advocates for Family Empowerment's internal control. Accordingly, we do not express an opinion on the effectiveness of the Southeast Spouse Abuse Program /dba/ Southeast Advocates for Family Empowerment's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of current year findings, recommendations, and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 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. We consider the deficiencies described in the accompanying schedule of current year findings, recommendations, and responses to be material weaknesses and are identified as items 2018-001, 2018-002, and 2018-004.

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. We consider the deficiency described in the accompanying schedule of current year findings, recommendations, and responses to be a significant deficiency and is described as item 2018-003.

Compliance and Other Matters

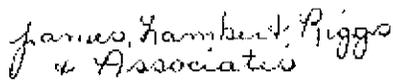
As part of obtaining reasonable assurance about whether the Southeast Spouse Abuse Program /dba/ Southeast Advocates for Family Empowerment's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant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

Southeast Spouse Abuse Program /dba/ Southeast Advocates for Family Empowerment's Response to Findings

The Southeast Spouse Abuse Program /dba/ Southeast Advocates for Family Empowerment's response to the findings identified in our audit is described in the accompanying schedule of current year findings, recommendations, and responses. The Southeast Spouse Abuse Program /dba/ Southeast Advocates for Family Empowerment's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 Southeast Spouse Abuse Program /dba/ Southeast Advocates for Family Empowerment's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



James Lambert Riggs and Associates, Inc.
Hammond, Louisiana

December 27, 2018

Southeast Advocates for Family Empowerment

Schedule of Current Year Findings, Recommendations, and Responses
As of and for the Year Ended June 30, 2018

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 you now that 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."

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.

Southeast Advocates for Family Empowerment

Schedule of Current Year Findings, Recommendations, and Responses
As of and for the Year Ended June 30, 2018

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 you now that 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."

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.

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

Southeast Advocates for Family Empowerment

Schedule of Current Year Findings, Recommendations, and Responses
As of and for the Year Ended June 30, 2018

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 you now that 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."

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 reimbursements submitted to the grantor agencies creates an environment in which

Southeast Advocates for Family Empowerment

Schedule of Current Year Findings, Recommendations, and Responses

As of and for the Year Ended June 30, 2018

a 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 you now that 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.”

Compliance and Other Matters

None

Southeast Advocates for Family Empowerment

Schedule of Prior Year Findings, Recommendations, and Responses
As of and for the Year Ended June 30, 2018

Internal Controls over Financial Reporting

None

Compliance and Other Matters

None



Management Response to Audit Findings FY 2017 Audit (6/30/18)

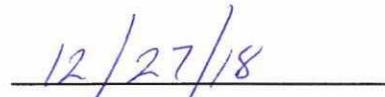
Management Response:

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 you now that 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.

If you have questions, require additional information or further action is necessary, please contact me by phone at (985) 542-8384 or email at exdirssap82@gmail.com.

Sincerely,


Nnenna Minimah
Executive Director


Date

**SOUTHEAST SPOUSAL ABUSE PROGRAM,
D/B/A SOUTHEAST ADVOCATES FOR FAMILY EMPOWERMENT
HAMMOND, LOUISIANA**

STATEWIDE AGREED UPON PROCEDURES ENGAGEMENT

FOR THE YEAR ENDED JUNE 30, 2018

Dennis E. James, CPA
Lyle E. Lambert, CPA
Paul M. Riggs, Jr., CPA

J. Bryan Ehricht, CPA
Samantha D. Wagner, CPA
Christie J. Barado
Megan E. Lynch
B. Jacob Steib
Debbie G. Faust, EA
Ramona K. Huckabee, EA



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LAMBERT RIGGS
& ASSOCIATES, INC.
CERTIFIED PUBLIC ACCOUNTANTS
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Member of
American Institute of CPAs
Society of Louisiana CPAs

Independent Accountants' 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
Hammond, Louisiana and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the Southeast Advocates for Family Empowerment, and the Louisiana Legislative Auditor (LLA) on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2017 through June 30, 2018. The Southeast Advocates for Family Empowerment's management is responsible for those control and compliance 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, we 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.

Our procedures and findings are detailed in Schedule "A"

We were 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 control and compliance areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those control and compliance areas identified in the SAUPs, and the results 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 Legislative Auditor as a public document.

James Lambert Riggs & Associates, Inc.
Hammond, Louisiana

December 27, 2018

Collections

1. Obtain a listing of deposit sites for the fiscal period where deposits for cash / checks / money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Results: Management provided us with the required listing of cash collection locations as well as management's representation that the listing is complete.

2. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees that are responsible for cash collections do not share cash drawers / registers.

Results: Cash is rarely collected by employees. Employees that are responsible for collecting cash are not bonded. Employees that collect checks / cash are responsible for preparing the deposits. The Financial Officer is responsible for recording the transactions in the accounting system, and for reconciling the bank account. The Executive Director or the Financial Officer are responsible for making / preparing / recording the deposits, and then reviewing the bank reconciliation.

- b) Each employee responsible for collecting cash is not responsible for preparing / making bank deposits, unless another employee / official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

Results: Management provided us with written documentation or reconciling cash collections to the general ledger. This reconciliation is performed by an individual not responsible for cash collections.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee / official is responsible for reconciling ledger postings to each other and to the deposit.

Results: All two (2) days' collections were deposited in an appropriate amount of time giving the nature of the deposits.

3. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

Results: All employees who have access to cash are not covered by a bond or insurance policy for theft.

4. Randomly select two deposit dates for each of the 5 bank accounts selected (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.

Results: For the sample selected, all receipts that were observed were sequentially pre-numbered.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

Results: For the sample selected, all pre-numbered receipts, system reports, and other related collection documentation was traced to the deposit slip. No exceptions were noted.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

Results: For the sample selected, all deposit slip totals were traced to the actual deposit per the bank statement. No exceptions were noted.

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

Results: For the sample selected, all deposits were made within one business day of the receipt of the collection location. No exceptions were noted.

- e) Trace the actual deposit per the bank statement to the general ledger.

Results: No exceptions were noted in the above procedure.

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

5. 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 us with the required listing of disbursements as well as management's representation that the listing is complete.

6. For each location selected under #5 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: For the five (5) disbursements selected, one (1) disbursement did not have an approval on the invoice by two employees.

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

Results: No exceptions were noted in the above procedure.

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 employee responsible for processing payments is not prohibited from adding / modifying vendor files and another employee does not periodically review 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 to the above procedure.

7. For each location selected under #5 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 were noted to the above procedure.

b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #6, as applicable.

Results: For the five (5) disbursements selected, one (1) invoice did not have any documentation showing it was approved.

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

8. 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: Management provided us with the required listing of credit cards / debit cards and fuel cards as well as management's representation that the listing is complete.

9. 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, 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: For the three (3) credit cards / debit cards selected, two (2) statements were not reviewed or approved, in writing, by someone other than the authorized cardholder.

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

Results: For the three (3) credit cards / debit cards selected, one (1) card had a late fee / finance charge assessed on the selected statement.

10. Using the monthly statements or combined statements selected under #9 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).

Results: For the three (3) credit / debit cards selected, one itemized receipt was missing for the credit card transactions.

Other

11. 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 misappropriations(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Results: Per conversation with management, Southeast Advocates for Family Empowerment had no misappropriations of public funds or assets during the period July 1, 2017 through June 30, 2018.

12. 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: The notice was posted on the premises but was not posted on the Entity's website.

If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

Results: There were no exceptions regarding management's representations in the procedures above.



**Management Response to Statewide Agreed Upon Procedure Engagement
FY 2017 Audit (6/30/18)**

Management Response:

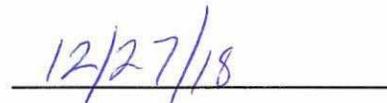
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If you have questions, require additional information or further action is necessary, please contact me by phone at (985) 542-8384 or email at exdirssap82@gmail.com.

Sincerely,



Nnenna Minimah
Executive Director



Date