

CAPITAL AREA FAMILY VIOLENCE INTERVENTION CENTER
Baton Rouge, Louisiana

AUDITED FINANCIAL STATEMENTS
December 31, 2018 and 2017



TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT.....	1
FINANCIAL STATEMENTS	
Statements of Financial Position.....	3
Statements of Activities and Changes in Net Assets.....	4
Schedule of Functional Expenses – Year Ended December 31, 2018	5
Schedule of Functional Expenses – Year Ended December 31, 2017	6
Statements of Cash Flows.....	7
Notes to Financial Statements.....	8
SUPPLEMENTARY INFORMATION:	
Schedule of Compensation, Benefits and Other Payments to Executive Director	13
OTHER REPORTS REQUIRED BY <i>GOVERNMENTAL AUDITING STANDARDS</i>	
Independent Auditors' Report on Internal Control over Financial Reporting And on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i>	14
Summary of Findings and Responses	15

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Capital Area Family Violence Intervention Center
Baton Rouge, Louisiana

We have audited the accompany financial statements of Capital Area Family Violence Intervention Center (CAFVIC) (a not for profit organization) which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities and changes in net assets, statement of functional expenses, and cash flows for the years 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

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit 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 principles 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 respective financial position of Capital Area Family Violence Intervention Center as of December 31, 2018 and 2017, and the respective changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of compensation, benefits, and other payments to agency head on page 13 is required by the Louisiana Revised Statute 24:513(A)(3) and is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of compensation, benefits, and other payments to agency head or chief executive officer are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic 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 of 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 basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2019, on our consideration of CAFVIC'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 solely 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 CAFVIC'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 CAFVIC's internal control over financial reporting and compliance.

TWRU

CPAs & Financial Advisors
Baton Rouge, Louisiana
June 27, 2019

CAPITAL AREA FAMILY VIOLENCE INTERVENTION CENTER
Baton Rouge, Louisiana

STATEMENTS OF FINANCIAL POSITION
(See Notes to Financial Statements)
December 31, 2018 and 2017

	<u>ASSETS</u>	
	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and Cash Equivalents	\$ 214,029	\$ 85,164
Grants Receivable	178,921	336,930
Prepaid Expenses	20,835	14,223
Other Current Assets	4,549	4,315
	<hr/>	<hr/>
TOTAL CURRENT ASSETS	418,334	440,632
PROPERTY AND EQUIPMENT		
Furniture, Fixtures and Equipment	407,231	407,231
Building	995,353	985,880
	<hr/>	<hr/>
TOTAL DEPRECIABLE PROPERTY AND EQUIPMENT	1,402,584	1,393,111
Less Accumulated Depreciation	(1,064,455)	(1,010,498)
	<hr/>	<hr/>
Land	338,129	382,613
	45,000	45,000
	<hr/>	<hr/>
NET PROPERTY AND EQUIPMENT	383,129	427,613
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 801,463</u>	<u>\$ 868,245</u>

LIABILITIES AND NET ASSETS

	<u>2018</u>	<u>2017</u>
CURRENT LIABILITIES		
Accounts Payable	\$ 37,988	\$ 49,519
Payroll Liabilities	53,084	31,477
Line of Credit	100,000	-
Accrued Expenses	<u>10,669</u>	<u>1,298</u>
TOTAL CURRENT LIABILITIES	201,741	82,294
NON CURRENT LIABILITIES		
Repayment of Grant Funds Not Used	<u>37,134</u>	<u>-</u>
TOTAL LIABILITIES	238,875	82,294
NET ASSETS		
Without Donor Restrictions	454,813	729,540
With Donor Restrictions	<u>107,775</u>	<u>56,411</u>
TOTAL NET ASSETS	<u>562,588</u>	<u>785,951</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 801,463</u>	<u>\$ 868,245</u>



CAPITAL AREA FAMILY VIOLENCE INTERVENTION CENTER
Baton Rouge, Louisiana

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
(See Notes to Financial Statements)
For the Years Ended December 2018 and 2017

	2018	2017
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUES		
Grants:		
Federal	\$ 448,289	\$ 657,103
Local	250,000	250,000
State	68,567	68,631
United Way	127,600	145,000
Contributions	100,175	92,677
Other income	9,150	27,107
Total unrestricted revenues and gains	1,003,781	1,240,518
Net assets released from restrictions	81,797	10,530
Total Revenues Without Donor Restrictions	1,085,578	1,251,048
EXPENSES		
Program services:		
Residential services	959,007	910,117
Education and training	11,038	10,074
Legal services	74,090	68,764
Outreach	69,062	76,304
Supporting services:		
General and administrative	186,781	231,242
Fundraising	23,192	20,830
Total Expenses	1,323,171	1,317,331
OTHER INCOME (EXPENSES)		
Repayment of Grant Funds Not Used	(37,134)	-
Total Other Income (Expenses)	(37,134)	-
Decrease in unrestricted net assets	(274,727)	(66,283)
NET ASSETS WITH DONOR RESTRICTIONS		
Grant Revenue	133,161	51,082
Net assets released from restrictions	(81,797)	(10,530)
Increase in Net Assets With Donor Restrictions	51,364	40,552
Decrease in Net Assets	(223,363)	(25,731)
Net Assets, Beginning of year	785,951	811,682
Net Assets, End of year	\$ 562,588	\$ 785,951



CAPITAL AREA FAMILY VIOLENCE INTERVENTION CENTER
Baton Rouge, Louisiana

STATEMENT OF FUNCTIONAL EXPENSES
(See Notes to Financial Statements)
For the Year Ended December 31, 2018

	Program Services				Fundraising	General & Administrative	Total Expense
	Residential Services	Education & Training	Legal Services	Outreach Services			
Salaries	\$ 160,510	\$ 2,416	\$ 8,638	\$ 13,980	\$ 4,261	\$ 23,268	\$ 213,074
Hourly Wages	407,466	7,330	12,233	38,437	9,499	-	474,965
Contract Attorneys	74,355	-	42,606	-	-	-	116,961
Employee Benefits	31,617	134	-	1,093	1,420	36,728	70,992
Payroll Taxes	49,281	590	1,362	3,372	1,149	1,704	57,459
Supplies	8,236	-	-	3	-	78	8,318
Financial Assistance	11,060	-	179	4,162	-	-	15,400
Occupancy - Rent	9,650	-	-	2,350	-	-	12,000
Professional Fees	24,958	-	9,071	-	-	91,264	125,293
Computer Support	5,572	228	-	1,092	614	642	8,147
Community Development	-	-	-	32	-	589	621
Credit Card & Other Service Charges	2,754	-	-	-	609	809	4,172
Depreciation	53,958	-	-	-	-	-	53,958
Dues & Subscriptions	1,493	-	-	-	-	142	1,635
Equipment Rental	4,280	-	-	-	-	3,205	7,485
Fundraising	-	-	-	-	4,680	-	4,680
Insurance	42,682	-	-	-	-	4,619	47,301
Interest Expenses	4,257	-	-	-	-	-	4,257
Office Supplies	3,836	66	-	7	-	2,724	6,634
Other Expenses	5,315	217	-	1,041	586	612	7,772
Postage & Delivery	99	-	-	-	359	127	585
Repairs & Maintenance	22,540	-	-	-	-	923	23,463
Security-Contract Labor	-	-	-	-	-	-	-
Telephone	18,095	-	-	2,146	-	5,053	25,295
Travel Expenses	628	56	-	194	15	9	902
Utilities	16,366	-	-	1,152	-	14,284	31,802
	<u>\$ 959,007</u>	<u>\$ 11,038</u>	<u>\$ 74,090</u>	<u>\$ 69,062</u>	<u>\$ 23,192</u>	<u>\$ 186,781</u>	<u>\$ 1,323,171</u>

CAPITAL AREA FAMILY VIOLENCE INTERVENTION CENTER
Baton Rouge, Louisiana

STATEMENT OF FUNCTIONAL EXPENSES
(See Notes to Financial Statements)
For the Year Ended December 31, 2017

	Program Services					General & Administrative	Total Expense
	Residential Services	Education & Training	Legal Services	Outreach Services	Fundraising		
Salaries	\$ 143,998	\$ 2,168	\$ 7,750	\$ 12,541	\$ 3,823	\$ 20,875	\$ 191,155
Hourly Wages	337,133	6,065	10,121	31,802	7,860	-	392,981
Contract Attorneys	60,802	-	34,841	-	-	-	95,643
Employee Benefits	29,624	126	-	1,024	1,330	34,412	66,516
Payroll Taxes	43,105	516	1,192	2,950	1,005	1,491	50,259
Supplies	26,434	-	-	195	-	253	26,882
Financial Assistance	22,556	-	834	16,895	-	-	40,285
Occupancy - Rent	10,040	-	-	2,445	-	-	12,485
Professional Fees	38,590	-	14,026	-	-	141,111	193,727
Computer Support	17,409	712	-	3,411	1,918	2,005	25,455
Community Development	-	-	-	19	-	341	360
Credit Card & Other Service Charges	1,509	-	-	-	334	444	2,287
Depreciation	55,444	-	-	-	-	-	55,444
Dues & Subscriptions	3,273	-	-	-	-	312	3,585
Equipment Rental	2,110	-	-	-	-	1,580	3,690
Fundraising	-	-	-	-	3,563	-	3,563
Insurance	48,971	-	-	-	-	5,299	54,270
Interest Expenses	1,850	-	-	-	-	-	1,850
Office Supplies	3,568	62	-	7	-	2,534	6,171
Other Expenses	7,297	298	-	1,430	804	840	10,669
Postage & Delivery	44	-	-	-	160	56	260
Repairs & Maintenance	20,849	-	-	-	-	853	21,702
Security-Contract Labor	1,020	-	-	-	-	-	1,020
Telephone	16,920	-	-	2,007	-	4,725	23,652
Travel Expenses	1,428	127	-	442	33	21	2,051
Utilities	16,143	-	-	1,136	-	14,090	31,369
	<u>\$ 910,117</u>	<u>\$ 10,074</u>	<u>\$ 68,764</u>	<u>\$ 76,304</u>	<u>\$ 20,830</u>	<u>\$ 231,242</u>	<u>\$ 1,317,331</u>

CAPITAL AREA FAMILY VIOLENCE INTERVENTION CENTER
Baton Rouge, Louisiana

STATEMENTS OF CASH FLOWS
(See Notes to Financial Statements)
For the Years Ended December 2018 and 2017

	2018	2017
CASH FLOW FROM OPERATING ACTIVITIES		
Change in net assets	\$ (223,363)	\$ (25,731)
Adjustments to reconcile change in net assets to net cash		
Depreciation	53,958	55,444
Decrease (Increase) in Assets:		
Grants receivable	158,009	(157,965)
Prepaid expenses & Other current assets	(6,846)	2,657
Increase (Decrease) in Liabilities:		
Accounts Payable	(11,532)	31,265
Accrued expenses and payroll liabilities	30,978	(2,891)
Other Liabilities	37,134	-
	38,338	(97,221)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(9,473)	-
Building Improvements	-	(31,168)
	(9,473)	(31,168)
NET CASH USED BY INVESTING ACTIVITIES		
CASH FLOW FROM FINANCING ACTIVITIES		
Receipts from Line of Credit	100,000	-
	100,000	-
NET CASH PROVIDED BY FINANCING ACTIVITIES		
Net (decrease) increase in cash and cash equivalents	128,865	(128,389)
Cash and cash equivalents at beginning of year	85,164	213,553
Cash and cash equivalents at end of year	\$ 214,029	\$ 85,164



CAPITAL AREA FAMILY VIOLENCE INTERVENTION CENTER
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2018 and 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations – Capital Area Family Violence Intervention Center, (CAFVIC), is a Louisiana non-profit agency, incorporated in 1984 to administer programs to assist battered women and their children in the Baton Rouge area and six other surrounding parishes. Such programs include a 24-hour hotline, counseling, advocacy, education, training, legal, and temporary emergency shelter. CAFVIC is supported by primarily through donor contributions, Federal, State, and Local grants and contracts, and contributions from the Capital Area United Way.

Basis of Accounting – CAFVIC prepares its financial statements on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

Basis of Financial Statement Presentation – Financial statements presentation follows the guidance included in the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Under ASC 958, non-profit organizations are required to report information regarding their financial position and activities according to two classes of net assets: Net Assets Without Donor Restrictions and Net Assets With Donor Restrictions.

1. *Net Assets Without Donor Restrictions* are net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.
2. *Net Assets With Donor Restrictions* are net assets subject to donor-imposed stipulations that may or will be met, either by actions of CAFVIC and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Revenue Recognition – The Organization accounts for contributions as increases in net assets without donor restrictions or net assets with donor restrictions depending on the existence or nature of any donor restrictions. Contributions are recognized when the donor makes an unconditional promise to give. Contributions restricted by the donor are reported as increases in net assets without donor restrictions if the restriction expires in the same fiscal year in which the support is recognized. All other donor restricted contributions and grants are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose of restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities as net assets released from restrictions.

Concentration of Credit Risk –With regard to receivables, credit risk is limited because the majority of CAFVIC's receivables consist of grants related to other governmental entities. Generally, CAFVIC does not require collateral or other securities to support its accounts receivable.

CAPITAL AREA FAMILY VIOLENCE INTERVENTION CENTER
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2018 and 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results differ from those estimates. Estimates are used primarily when accounting for depreciation.

Cash and Cash Equivalents – For purposes of the Statement of Cash Flows, CAFVIC considers all highly liquid investments, both unrestricted and restricted, with a maturity of three months or less to be cash equivalents.

Grants Receivable – Management believes that grants receivable as reflected in the accompanying financial statements are collectible in full therefore no allowance has been recorded at December 31, 2018 and 2017. CAFVIC evaluates the collectability of its grants receivable on an individual claim basis.

Prepaid Expenses – CAFVIC records insurance and similar services which extend over more than one fiscal year as prepaid expenses.

Property and Equipment – CAFVIC's policy is to capitalize property and equipment greater than \$500. Lesser amounts are expensed and maintenance and repairs are charged against earnings when incurred. Property and equipment purchased by the Organization is recorded at cost at the date of acquisition. Depreciation is provided over the estimated useful lives of the respective assets on a straight line basis. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support.

Functional Allocation of Expenses – The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statements of activities. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Tax Status – CAFVIC is organized as a non-profit organization that is exempt from taxes under Section 501(c)(3) of the Internal Revenue Code. CAFVIC follows the provisions of FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. Management believes that it has no material uncertain tax positions and, accordingly, has not recognized a liability for any tax obligations.

Donated Services – No amounts have been reflected in the financial statements for donated services. CAFVIC generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the entity with assistance programs.

Advertising – CAFVIC follows the policy of charging the costs of advertising to expense as incurred. Advertising expense amounted to \$0 and \$3,024 for the years ended December 31, 2018 and 2017, respectively.

CAPITAL AREA FAMILY VIOLENCE INTERVENTION CENTER
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2018 and 2017

NOTE 2: GRANTS RECEIVABLE

Grants receivable at December 31, were as follows:

	<u>2018</u>	<u>2017</u>
Department of Children & Family Services Grant	\$ 96,801	\$ 200,452
Civil and Marriage Fees	12,051	9,363
La Commission of Law Enforcement & Administration	<u>70,069</u>	<u>127,115</u>
 TOTAL	 <u>\$ 178,921</u>	 <u>\$ 336,930</u>

NOTE 3: COMPENSATED ABSENCES

As of December 31, 2018 and 2017, CAFVIC's accumulated paid time off (PTO) was \$14,154 and \$4,466, respectively, which is classified as accrued payroll liabilities.

NOTE 4: RETIREMENT PLAN

CAFVIC provides a 403(b) Thrift Plan to employees completing twelve months of employment and 1,000 service hours. The employee can make voluntary pre-tax contributions from their salary. The employer matches contributions up to six percent of the employee's compensation. During the fiscal years ending December 31, 2018 and 2017, CAFVIC contributed \$9,983 and \$5,146, respectively, to the Plan.

NOTE 5: LINE OF CREDIT

CAFVIC has a revolving line of credit for up to \$100,000 that is due on demand. The line of credit had an outstanding balance at the December 31, 2018 and 2017 of \$100,000 and \$0, respectively. Interest on the line of credit is payable monthly and based on a per annum rate of 7.5%.

NOTE 6: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available for the following purposes at December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Red Cross	\$ -	\$ 50,597
Verizon Foundation-Kids Zone	5,814	5,814
Wilson Foundation Grant- PTI	10,000	-
FEMA- Building Repairs	<u>91,961</u>	<u>-</u>
 TOTAL	 <u>\$ 107,775</u>	 <u>\$ 56,411</u>

Net assets released from restrictions during the year ended December 31, 2018 and 2017 were as follows:

	<u>2018</u>	<u>2017</u>
Red Cross Foundation	\$ 50,597	\$ 485
WEMT Grant	-	10,000
Wilson Foundation Grant- COED	<u>31,200</u>	<u>45</u>
 TOTAL	 <u>\$ 81,797</u>	 <u>\$ 10,530</u>

CAPITAL AREA FAMILY VIOLENCE INTERVENTION CENTER
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2018 and 2017

NOTE 7: CONCENTRATION OF SUPPORT

CAFVIC receives the majority of its funds through government grants and contracts. For the years ended December 31, 2018 and 2017, CAFVIC received approximately 28% and 25%, respectively, of its revenues from state and local government grants and contracts, and 40% and 52%, respectively, from federal government grants and contracts.

NOTE 8: CONTINGENCIES

CAFVIC receives the majority of its revenues from governmental grants and contracts, all of which are subject to audit by the government. The ultimate determination of amounts received under these programs generally is based upon allowable costs reported to and are subject to audit by the government. Until such audits, if any, there exists a contingency to refund any amount received in excess of allowable cost. Management is of the opinion that no material liability will result from such audits.

NOTE 9: INCOME TAXES

In 2009, CAFVIC adopted the recent accounting guidance related to accounting for uncertainty in income taxes, which sets out a consistent framework to determine the appropriate level of tax reserves to maintain for uncertain tax positions. CAFVIC's administration recognizes the effect of income tax positions only if the positions are more likely than not of being sustained. Recognized income tax positions are recorded at the largest amount that is greater than 50% likely of being realized. Changes in the recognition or measurement are reflected in the period in which the change in judgment occurs. The entity's administration has evaluated its position regarding the accounting for uncertain income tax positions and does not believe that it has any uncertain tax positions. With few exceptions, CAFVIC is no longer subject to federal, state, or local tax examinations by tax authorities for years before 2015.

NOTE 10: OPERATING LEASES

In 2015 CAFVIC entered into a 5 year lease for the use of a copy machine. The lease requires monthly payments of \$189 plus charges for usage of the copier. For the years ended December 31, 2018 and 2017 rent expense was \$7,485 and \$3,690, respectively. Future minimum payments for the next year is \$2,286.

CAFVIC has a month to month lease for office space in Ascension parish. The lease requires monthly payments of \$650 per month. Rent expense was \$7,800 for December 31, 2018 and 2017.

CAFVIC has a month to month lease for office space in Iberville parish. The lease requires monthly payments of \$350 per month. Rent expense was \$4,200 for December 31, 2018 and 2017.

NOTE 11: RISK MANAGEMENT

CAFVIC is exposed to various risks of loss related to the areas of employee injuries and illness, damage to and destruction of assets, errors and omissions, and unemployment compensation. To handle such risk of loss, CAFVIC maintains commercial insurance policies covering its real and personal property, automobiles, general liability, professional liability, group health and unemployment compensation through individually purchased policies. There have been no significant reductions in the insurance coverage during the year.

CAPITAL AREA FAMILY VIOLENCE INTERVENTION CENTER
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2018 and 2017

NOTE 12: CHANGE IN ACCOUNTING PRINCIPLE

In August 2016, the FASB issued Accounting Standards Update (ASU) 2016-14, Not for Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The ASU addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, the lack of consistency in the type of information provided about expenses and investment return. The Organization has implemented ASU 2016-14 and has presented the financial statements accordingly.

NOTE 13: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Foundation's financial assets as of the statement of financial position date, reduced by any amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions or internal designations.

	<u>12/31/18</u>
Current Assets, excluding nonfinancial assets	\$ 392,950
Less those unavailable for general expenditures within one year:	
Donor restrictions for specific purposes	<u>(107,775)</u>
Financial Assets available to meet cash needs for General expenditures within one year	<u>\$ 285,175</u>

NOTE 14: SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 27, 2019, and has determined that no events occurred that require additional disclosure.

CAPITAL AREA FAMILY VIOLENCE INTERVENTION CENTER
Baton Rouge, Louisiana

SCHEDULE OF COMPENSATION, BENEFITS & OTHER
PAYMENTS TO AGENCY HEAD
For the Year Ended December 31, 2018

Agency/Title: John Price, Executive Director

Purpose

Amount

Salary

\$ 82,541

Benefits - retirement

7,459

TOTAL COMPENSATION, BENEFITS AND OTHER PAYMENTS

\$ 90,000





INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Capital Area Family Violence Intervention Center

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 CAFVIC (a not for profit organization), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities and changes in net assets, 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 June 27, 2019.

Internal Control over Financial Reporting

In planning and performing our audit, we considered CAFVIC'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 CAFVIC's internal control. Accordingly, we do not express an opinion on the effectiveness of the CAFVIC'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.

Our 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 over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we 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 CAFVIC'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*.

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 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.

TWRU

CPAs & Financial Advisors
Baton Rouge, Louisiana
June 27, 2019

CAPITAL AREA FAMILY VIOLENCE INTERVENTION CENTER
Baton Rouge, Louisiana

SUMMARY OF FINDINGS AND RESPONSES
Year Ended December 31, 2018

NO FINDINGS NOTED

SUMMARY OF PRIOR YEAR FINDINGS AND RESPONSES
Year Ended December 31, 2017

NO FINDINGS NOTED



INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of Capital Area Family Violence Intervention Center and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Capital Area Family Violence Intervention Center (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 January 1, 2018 through December 31, 2018. 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, 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.

The procedures and associated findings are as follows:

Written Policies and Procedures – *This entire section was not tested in the current year due to no exceptions noted in the prior year.*

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving
 - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
 - f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
 - g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
 - h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Board or Finance Committee

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
No Exceptions Noted.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.
No Exceptions Noted.
 - c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.
No Exceptions Noted.

Bank Reconciliations

- 3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
No Exceptions Noted.
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
No Exceptions Noted.

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Not Applicable.

Collections – This entire section was not tested in the current year due to not exceptions noted in the prior year.

- 4. 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).
- 5. 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.
 - 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.
 - 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.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
- 6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
- 7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (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.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - 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).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Non-Payroll Disbursements

8. 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).

No Exceptions Noted.

9. For each location selected under #8 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.

No Exceptions Noted.

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

No Exceptions 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.

No Exceptions Noted.

- 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.

No Exceptions Noted.

10. 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.

No Exceptions Noted.

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

No Exceptions Noted.

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

11. 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.

No Exceptions Noted.

12. 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.

Exception: The statement did not show evidence in writing of review by someone other than an authorized card holder.

Management's Response/Corrective Action:

In 2018, the Iris financial policies addressed this issue and required that all credit card purchases and/or receipts be submitted by an agency employee to the Executive Director(ED) for a decision on payment. During the year, the Executive Director was the only individual authorized to issue checks or make payments via the agency credit card. As a result, for every agency charge or check request, the requesting individual signs the request and provides the backup information to be reviewed by the ED. In each of these situations, the ED reviewed the request and made the payments based on the signed requests for payment by the employee and the backup information provided. Each payment had two signatures-the requesting party and the ED. For each payment made by the agency which was initiated solely by the ED, Iris practice was to include a review by another employee prior to or contemporaneous with the payment. All such payments were reviewed when made, although signatures of the reviewing individual were lacking in certain situation. In following best practices going forward, Iris will now require that another agency employee, other than the ED, also provide a signature at the time of any payment being issued or credit charge being made. In those emergency situations where a payment or credit card charge must be made immediately by the ED and no other employee is available to cosign the request, Iris will have another employee other than the ED, review the monthly statement to the agency reporting the charge along with the backup documentation for the charge and provide a signature evidencing their review of the charge and ratification or approval of the transaction.

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

Exception: Interest charges and late fees were assessed.

Management's Response/Corrective Action:

In 2018, Iris encountered monthly cash flow issues which resulted partially from delayed reimbursements from grant funders for expenses incurred in operating our agency and a probationary period for reimbursements as a result of untimely reporting to a grant funder by a former contracted worker for accounting. As a result, in order to meet ongoing expense obligations, Iris utilized a \$5,000 credit card for certain expenses which, if not paid by the end of the month would result in an interest carrying charge and a late fee if minimum payments were not paid timely. Iris has greatly improved its internal office processes for submission of reimbursement to grant funders and has partially resolved the delay in funding reimbursements by its grant funders. Iris anticipates clearing the existing credit card balance within the next 60 days. This will clear the outstanding card balance and will end the interest carrying and late fee charges.

13. 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).

No Exceptions Noted.

Travel and Travel-Related Expense Reimbursements (excluding card transactions) – Entire section not tested in the current year due to no exceptions noted in prior year.

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts – Entire section not tested in the current year due to no exceptions noted in prior year.

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
 - Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Payroll and Personnel – Entire section not tested in the current year due to no exceptions noted in prior year.

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning

- leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Ethics – Entire section not applicable to Non Profits.

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
- a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Debt Service – Entire section not applicable to Non Profits.

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Other

23. 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.
Not Applicable.
24. 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.
No Exceptions Noted.

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 C/C 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 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.

TWRU

CPAs & Financial Advisors
Baton Rouge, Louisiana
June 27, 2019