

SAFE HAVYNN EDUCATION CENTER
Lafayette, LA

Financial Report

Year Ended September 30, 2024

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2000 Kaliste Saloom Road, Suite 300
Lafayette, LA 70508

P 337-232-3312
F 337-237-3614

DSFCPAS.COM

OTHER LOCATIONS:

Eunice Morgan City Abbeville

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Safe Havynn Education Center
Lafayette, Louisiana

We have reviewed the accompanying financial statements of Safe Havynn Education Center (a nonprofit organization), which comprise the statements of financial position as of September 30, 2024, and the related statements of activities, functional expenses, members' equity, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Safe Havynn Education Center and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Darnall, Sikes & Frederick
(A Corporation of Certified Public Accountants)

Lafayette, Louisiana
January 8, 2025

SAFE HAVYNN EDUCATION CENTER
Statement of Financial Position
September 30, 2024

CURRENT ASSETS	
Cash and cash equivalents	\$ 25,236
Prepaid expenses	<u>14,592</u>
Total current assets	<u>39,828</u>
PROPERTY AND EQUIPMENT, NET	30,060
OTHER ASSETS	
Right-of-use asset	<u>107,313</u>
Total other assets	<u>107,313</u>
TOTAL ASSETS	<u><u>\$ 177,201</u></u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accrued expenses	\$ 5,782
Current maturities of obligations under operating leases	<u>34,470</u>
Total current liabilities	<u>40,252</u>
LONG-TERM LIABILITIES	
Obligations under operating leases, net of current maturities	<u>77,159</u>
Total liabilities	<u>117,411</u>
Without donor restrictions	14,875
With donor restrictions	<u>44,915</u>
Total net assets	<u>59,790</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 177,201</u></u>

See independent accountant's review report and notes to financial statements.

SAFE HAVYNN EDUCATION CENTER
Statement of Activities
Year Ended September 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue:			
Grants:			
Government grants	\$ -	\$ 415,338	\$ 415,338
Total grants	-	415,338	415,338
Contributions and support:			
Other and miscellaneous	-	1,193	1,193
Interest income	<u>7</u>	<u>-</u>	<u>7</u>
Total contributions and support	<u>7</u>	<u>1,193</u>	<u>1,200</u>
Total revenue	7	416,531	416,538
Released from Restrictions	-	-	-
Expenses:			
Program services	-	407,280	407,280
Administrative	<u>-</u>	<u>48,137</u>	<u>48,137</u>
Total expenses	<u>-</u>	<u>455,417</u>	<u>455,417</u>
INCREASE (DECREASE) IN NET ASSETS	7	(38,886)	(38,879)
NET ASSETS, beginning	<u>14,868</u>	<u>83,801</u>	<u>98,669</u>
NET ASSETS, ending	<u>\$ 14,875</u>	<u>\$ 44,915</u>	<u>\$ 59,790</u>

See independent accountant's review report and notes to financial statements.

SAFE HAVYNN EDUCATION CENTER
Statement of Functional Expenses
Year Ended September 30, 2024

	<u>Program Services</u>	<u>General and Admin</u>	<u>Total</u>
Audit and filing taxes	\$ 28,750	\$ -	\$ 28,750
Bank charges	87	-	87
Contract labor	2,015	-	2,015
Depreciation expense	-	8,262	8,262
Education and training	3,543	-	3,543
Employee benefits	-	18,846	18,846
Insurance	32,110	-	32,110
Meals	5,296	-	5,296
Miscellaneous	513	-	513
Office expenses	-	20,759	20,759
Legal and professional	21,986	-	21,986
Operating lease cost	39,783	-	39,783
Repairs and maintenance	3,082	-	3,082
Salaries, benefits and payroll taxes	210,170	270	210,440
Supplies	11,050	-	11,050
Taxes	19,763	-	19,763
Travel and mileage	19,893	-	19,893
Utilities	9,239	-	9,239
	<u>\$ 407,280</u>	<u>\$ 48,137</u>	<u>\$ 455,417</u>

See independent accountant's review report and notes to financial statements.

SAFE HAVYNN EDUCATION CENTER
Statement of Cash Flows
Year Ended September 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES	
Decrease in net assets	\$ (38,879)
Adjustments to reconcile change in net assets to net cash provided in operating activities:	
Depreciation expense	8,262
Operating lease cost in excess of cash paid	783
(Increase) decrease in:	
Prepaid expenses	(11,342)
Increase (decrease) in:	
Accrued expenses	<u>(6,030)</u>
Net cash used by operating activities	<u>(47,206)</u>
Net decrease in cash	<u>(47,206)</u>
CASH, beginning of year	<u>72,442</u>
CASH, end of year	<u><u>\$ 25,236</u></u>

See independent accountant's review report and notes to financial statements.

NOTES TO THE FINANCIAL STATEMENTS

SAFE HAVYNN EDUCATION CENTER
Lafayette, Louisiana

Notes to Financial Statements

NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Safe Havynn Education Center (the Organization) is a non-profit corporation that serves an eight-parish region of Southwestern Louisiana, known collectively as Acadiana. The Organization serves a pivotal role in educating and providing tools and skills necessary in order to help teens to thrive. Much of the Organization's work is accomplished through life skill camps and a variety of sexuality/abstinence programs.

Basis of Presentation

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

Net assets without donor restrictions – Net assets that are not subject to donor-imposed stipulations or grantor-imposed restrictions.

Net assets with donor restrictions – Net assets with donor restrictions or resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature, such as those that are restricted by a donor that the resources be maintained in perpetuity.

Basis of Accounting

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

Public Support and Revenue

Grants and other contributions of cash and other assets are reported as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions is reclassified to net assets without donor restrictions and reported in the Statement of Activities as "Net Assets Released from Restrictions." Restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restrictions.

Revenue Recognition

The Organization recognizes revenue when reimbursement deposits are received. After expenses are incurred or once the grant stipulations are fulfilled, the Organization submits request for reimbursement. As per the award letter, deposits are received the next business day via ACH. At that time, revenue is recognized.

SAFE HAVYNN EDUCATION CENTER
Lafayette, Louisiana

Notes to Financial Statements

NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In the event that any of the budgeted revenue is not requested as reimbursement for expenses, it is not deposited nor is it recognized.

As per the matching principle, any budgeted amount not received and not requested within 60 days of period end, is not considered deferred. At September 30, 2024, the Organization had deferred revenue of \$0.

Cash and Cash Equivalents

For the purposes of the statements of cash flows, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents exclude permanently restricted cash and cash equivalents.

Advertising

Advertising costs are expensed as incurred. Advertising expense was \$0 for the year ended September 30, 2024.

Compensated Absences

Employees of the Organization are entitled to paid time off, depending on job classification, length of service, and other factors. The annual leave varies from 40 to 80 hours per calendar year, based on the employee's length of service. Unused vacation days at the end of a benefit year are lost. Upon separation, employees are paid for any unused paid time off at the employee's current rate of pay as it has been earned through the last day of work. Compensated absences payable was \$0 for the year ended September 30, 2024.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Uses of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect 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 could differ from those estimates.

SAFE HAVYNN EDUCATION CENTER
Lafayette, Louisiana

Notes to Financial Statements

NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Tax Exemption

The Organization is an exempt organization for federal income tax purposes under Section 501(c)(3) of the Internal Revenue Code. Additionally, the Internal Revenue Service has determined that the Organization does not qualify as a private foundation within the meaning of Section 509(a) of the Internal Revenue Code. However, should the Organization engage in activities unrelated to its exempt purpose, taxable income could result. The Organization had no material unrelated business income for the fiscal year under audit. Therefore, no provision for income taxes has been made in the accompanying financial statements.

Accounting Standards Codification 740 (ASC 740) requires that a tax position be recognized or derecognized based on a "more than not" threshold. This applies to positions taken or expected to be taken in a tax return where there is uncertainty about whether a tax position will ultimately be sustained upon examination. The Organization has evaluated its tax positions and determined that it does not have any uncertain tax positions that meet the requirements of ASC 740. Accordingly, implementation of ASC 740 did not have any impact on the accompanying financial statements.

Property and Equipment

All property and equipment are capitalized that have a cost or estimated cost of \$5,000 or more. Expenses for additions, major renewals, and betterments are capitalized. Expenses for maintenance and repairs are charged to expense as incurred. Donations of property and equipment are recorded as support at their estimated fair market value and are reported as without donor restrictions unless the donor has restricted the donated assets for a specific purpose. Property acquired with grant funds are disposed of in accordance with grantor requirements.

Depreciation is computed using the straight-line method at rates based on the following estimated useful lives:

	<u>Years</u>
Leasehold improvements	15
Automobiles	5

Depreciation expense was \$8,262 for the year ended September 30, 2024.

Subsequent Events

Management has evaluated subsequent events through January 8, 2025, the date the financial statements were available to be issued.

SAFE HAVYNN EDUCATION CENTER
Lafayette, Louisiana

Notes to Financial Statements

NOTE 2 AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets available for general expenditures, that is, without donor or other restrictions limiting their use as of September 30, 2024:

Cash and cash equivalents	\$ 25,236
Prepaid expenses	<u>14,592</u>
Total financial assets available to meet general expenditures over the next twelve months	<u>\$ 39,828</u>

NOTE 3 PROPERTY AND EQUIPMENT

Property and equipment acquired by the Organization are considered to be owned by the Organization. However, the State of Louisiana maintains the title to the property and equipment purchased in whole or in part under contracts/grants funded by the State of Louisiana. The State has the right to require the transfer of the property and equipment (including the title) to the State or to an eligible non-state party named by the State. Such transfer may occur at any time.

Property and equipment consisted of the following at September 30, 2024:

Assets being depreciated:	
Leasehold improvements	\$ 8,132
Vehicles	<u>38,598</u>
Total assets being depreciated	46,730
Less accumulated depreciation	<u>(16,670)</u>
Assets being depreciated, net	<u>30,060</u>
Total assets, net	<u>\$ 30,060</u>

NOTE 4 COMPENSATION OF BOARD OF DIRECTORS

Directors do not receive any compensation for their services as Directors of the Organization. Directors may be reimbursed for their expenses, if any, incurred in carrying out the purposes of the Organization, provided that such reimbursement does not adversely affect the Organization's qualification under Section 501(c)(3) of the Internal Revenue Code.

SAFE HAVYNN EDUCATION CENTER
Lafayette, Louisiana

Notes to Financial Statements

NOTE 5 CONCENTRATIONS

The Organization received a substantial portion of its revenues from City, Parish and State grants and contracts. Any substantial change in any of these components could have adverse effects on the Organization's financial condition.

NOTE 6 CONCENTRATION OF CREDIT RISK

The Organization maintains cash balances at one financial institution which may, at times, exceed Federal Deposit Insurance Corporation insurance limits of \$250,000. There is no credit risk associated with these deposits.

NOTE 7 LEASES

The Organization leases office space under an operating lease through August 31, 2027. As the Organization's leases typically do not contain a readily determinable implicit rate, the Organization determines the present value of the lease liability using its incremental borrowing rate at the lease commencement date.

The following summarizes the line items in the balance sheet which include amounts for operating leases as of September 30, 2024:

Operating lease right-of-use assets	<u>\$ 107,313</u>
Current portion of operating lease liabilities	\$ 34,470
Non-current portion of operating lease liabilities	<u>77,159</u>
Total operating lease liabilities	<u>\$ 111,629</u>

The components of operating lease expense that are included in the statement of activities for the year ended September 30, 2024 were as follows:

	General and Administrative	
Operating lease cost		<u>\$ 39,783</u>

The following summarizes the cash flow information related to operating leases for the year ended September 30, 2024:

Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows for operating leases	<u>\$ 39,000</u>

SAFE HAVYNN EDUCATION CENTER
Lafayette, Louisiana

Notes to Financial Statements

NOTE 7 LEASES (CONTINUED)

Weighted average lease term and discount rate as of September 30, 2024, were as follows:

Weighted average remaining lease term	2.92 years
Weighted average discount rate	5.00%

The maturities of operating lease liabilities as of September 30, 2024, were as follows:

2025	39,275
2026	42,300
2027	<u>38,775</u>
Total lease payments	120,350
Less: interest	<u>(8,721)</u>
Present value of lease liability	<u><u>\$ 111,629</u></u>

NOTE 8 CONTINGENCIES – GRANT PROGRAMS

The Organization participates in federal, state and local grant programs, which are governed by various rules and regulations. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Organization has not complied with the rules and regulations governing the grants, refunds of any money received and the collectability of any related receivable at year end may be impaired. In management’s opinion, there are no significant contingent liabilities relating to compliance with the rules and regulations governing state and local grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies. Any costs that would be disallowed would be recognized in the period agreed upon by the grantor agency and the Organization.

NOTE 9 COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO DIRECTOR

A detail of compensation, benefits, and other payments made to the executive director Elizabeth Moore for the year ended September 30, 2024.

Purpose	Amount
Salary	\$ 109,214
Benefits - insurance and retirement	<u>9,729</u>
Total	<u><u>\$ 118,943</u></u>

SAFE HAVYNN EDUCATION CENTER
Lafayette, Louisiana

Notes to Financial Statements

NOTE 10 RETIREMENT PLAN

The employees of the Organization are allowed to participate in the profit sharing 401(k) plan. The Plan covers all full-time employees of the Company who have one year of service and are age twenty-one or older. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Each year, the employer may make contributions at the option of the Company's management. Participants may contribute up to the amount required by law. The Company's match was \$18,846 for the year ended September 30, 2024.

AGREED-UPON PROCEDURES
REQUIRED BY STATE LAW (R.S. 24:513)

INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors
Safe Havynn Education Center
Lafayette, Louisiana

We have performed the procedures enumerated below, which were agreed to by the management of Safe Havynn Education Center and the Louisiana Legislative Auditor (the specified parties), on the Organization's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended September 30, 2024, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide. The Organization's management is responsible for its financial records and compliance with applicable laws and regulations. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated 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:

Federal, State, and Local Awards

1. Obtain the list of federal, state, and local government grant award expenditures for the fiscal year, by grant and grant year, from the Organization's management.

Safe Havynn Health Education Center provided us with the following list of expenditures made for federal grant awards received during the fiscal year ended September 30, 2024:

<u>Federal, State, or Local Grant Name</u>	<u>Grant Year</u>	<u>Amount</u>
US Department of Health & Human Services	2024	\$415,338

2. For each federal, state, and local grant award, randomly select six disbursements from each grant administered during the fiscal year, provided that no more than 30 disbursements are selected.
3. Obtain documentation for the disbursements selected in Procedure 2. Compare the selected disbursements to supporting documentation, and report whether the disbursements agree to the amount and payee in the supporting documentation.

We examined supporting documentation for each selected disbursement and found that payment was for the proper amount and made to the correct payee.

4. Report whether the selected disbursements were coded to the correct fund and general ledger account.

All of the disbursements were coded to the correct fund and general ledger account.

5. Report whether the selected disbursements were approved in accordance with the Organization's policies and procedures.

The Organization's policies and procedures state that the executive director must approve all disbursements. Documentation supporting each of the selected disbursements included the signature of the executive director.

6. For each selected disbursement made for a federal grant awards, obtain the Compliance Supplement for the applicable federal program. For each disbursement made for a state or local grant award, or for a federal program not included in the Compliance Supplement, obtain the grant agreement. Compare the documentation for each disbursement to the program compliance requirements or the requirements of the grant agreement relating to activities allowed or unallowed, eligibility, and reporting; and report whether the disbursements comply with these requirements.

Activities allowed or unallowed

We compared documentation for each of the selected disbursements with program compliance requirements related to services allowed or not allowed. No exceptions were noted.

Eligibility

We compared documentation for each of the selected disbursements with program compliance requirements related to eligibility. No exceptions were noted.

Reporting

We compared documentation for each of the selected disbursements with program compliance requirements related to reporting. No exceptions were noted.

7. Obtain the close-cut reports, if required, for any program selected in Procedure 2 that was closed cut during the fiscal year. Compare the close-cut reports, if applicable, with the Organization's financial records; and report whether the amounts in the close-out reports agree with the Organization's financial records.

Not applicable; reports do not apply to grant tested.

Open Meetings

8. Obtain evidence from management that agendas for meetings recorded in the minute book were posted as required by Louisiana Revised Statute 42:11 through 42:28 (the open meetings law), and report whether there are any exceptions.

Not applicable; not required to follow the open meetings law.

Budget

9. For each grant exceeding five thousand dollars, obtain the comprehensive grant budgets that the Organization provided to the applicable federal, state or local grantor Organization. Report whether the budgets for federal, state and local grants included the purpose and duration of the grants; and whether budgets for state grants also included specific goals, objectives, and measures of performance.

The Organization provided documentation that comprehensive budgets were submitted to the applicable federal and state grantor Organization for the grants exceeding five thousand dollars. These budgets included the purpose and duration of the grant program.

State Audit Law

10. Report whether the Organization provided for a timely report in accordance with R.S. 24:513.

No exceptions noted.

11. Inquire of management and report whether the Organization entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the Organization was not in compliance with R.S. 24:513 (the audit law).

Not applicable; no funding was used to enter into contracts that were subject to the public bid law.

Prior-Year Comments

12. Obtain and report management's representation as to whether any prior year suggestions, exceptions, recommendations, and/or comments have been resolved.

Not applicable; no prior year testing.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in Government Auditing Standards, issued by the United States Comptroller General. 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 the Organization's compliance with the foregoing matters. 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 the Organization's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, 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 Louisiana Legislative Auditor as a public document.

Darnall, Sikes & Frederick

(A Corporation of Certified Public Accountants)

Lafayette, Louisiana
January 8, 2025

SAFE HAVYNN EDUCATION CENTER
Schedule of Findings and Questioned Costs
Year Ended September 30, 2024

Part I: Summary of Review Results

- a. The accountant's review report noted no material modifications to the financial statements of Safe Havynn Education Center.
- b. No instances of noncompliance were disclosed during the review engagement and no instances of noncompliance was disclosed during the attestation engagement.
- c. Safe Havynn Education Center is not subject to a Federal Single Audit for 2024.

Part II: Findings – Financial Statement Review

None.