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**The Haven, Inc.**

Financial Statements  
And Independent Auditor's Report  
June 30, 1999

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date MAR 01 2000

**The Haven, Inc.**

Financial Statements and Independent Auditor's Report  
As of and for the Year Ended  
June 30, 1999

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
The Haven, Inc.  
Houma, Louisiana

We have audited the accompanying statement of financial position of The Haven, Inc. (a nonprofit organization) as of June 30, 1999, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

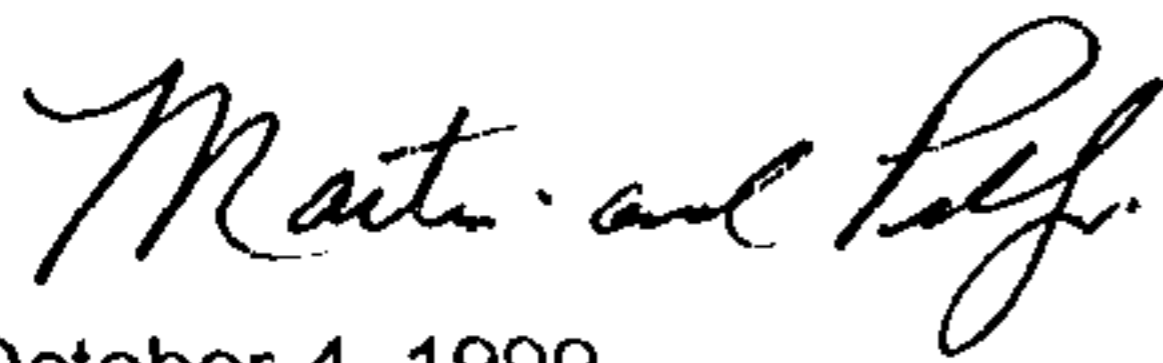
We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Haven, Inc. as of June 30, 1999, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 4, 1999 on our consideration of The Haven, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Board of Directors  
The Haven, Inc.  
October 4, 1999

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of The Haven, Inc. taken as a whole. The Schedule of Revenue and Expenses – IOLTA Grant on page 15 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in cursive script, appearing to read "Martin and Kelly".

October 4, 1999

**FINANCIAL STATEMENTS SECTION**

**The Haven, Inc.**

**Statement of Financial Position  
June 30, 1999**

**ASSETS**

Current Assets:

Cash and cash equivalents	\$ 6,718
Unconditional promises to give:	
Government grants	62,747
Corporate grants	41,014
Prepaid expenses	432
Total current assets	<u>110,911</u>

Property and equipment (net of accumulated depreciation of \$ 25,460)	<u>148,343</u>
--	----------------

**TOTAL ASSETS** \$ 259,254

**LIABILITIES AND NET ASSETS**

Current Liabilities:

Line of credit	\$ 10,000
Accounts payable	19,575
Accrued expenses	13,859
Total liabilities	<u>43,434</u>

Net Assets:

Unrestricted net assets	187,927
Temporarily restricted	27,893
Total net assets	<u>215,820</u>

**TOTAL LIABILITIES AND NET ASSETS** \$ 259,254

See accompanying notes to financial statements.

**The Haven, Inc.**

Statement of Activities  
Year Ended June 30, 1999

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUES AND OTHER SUPPORT</b>			
Grants			
Government	\$ 227,346		\$ 227,346
United Way		\$ 44,768	44,768
IOLTA		17,500	17,500
Total grant revenue	227,346	62,268	289,614
Cash contributions	68,884		68,884
In-kind contributions	19,577		19,577
Other	52		52
Revenue received in prior period released from restrictions in current period	106,460	(106,460)	-
<b>TOTAL REVENUES AND OTHER SUPPORT</b>	<b>422,319</b>	<b>(44,192)</b>	<b>378,127</b>
<b>FUNCTIONAL EXPENSES</b>			
Program services			
Sexual assault	127,645		127,645
Domestic violence	186,769		186,769
Fundraising	3,985		3,985
Management and general	68,401		68,401
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>386,800</b>		<b>386,800</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	35,519	(44,192)	(8,673)
<b>NET ASSETS, BEGINNING OF PERIOD</b>	152,408	85,990	238,398
<b>ADJUSTMENT TO NET ASSETS (NOTE 10)</b>	-	(13,905)	(13,905)
<b>NET ASSETS, END OF PERIOD</b>	<b>\$ 187,927</b>	<b>\$ 27,893</b>	<b>\$ 215,820</b>

See accompanying notes to financial statements.

## The Haven, Inc.

### Statement of Functional Expenses Year Ended June 30, 1999

	Program Services		Fundraising	Management and General	Total
	Sexual Assault	Domestic Violence			
Salaries	\$ 83,734	\$ 115,417	-	\$ 27,157	\$ 226,308
Payroll taxes	9,165	12,632	-	2,972	24,769
Accounting and professional fees	-	-	-	19,771	19,771
Insurance	5,550	7,650	-	1,800	15,000
Food and house supplies	1,344	12,098	-	-	13,442
Telephone	4,597	6,337	-	1,491	12,425
Contract counselors and services	3,761	5,185	-	1,220	10,166
Depreciation	3,465	4,775	-	1,124	9,364
Office supplies	3,280	4,520	-	1,064	8,864
Printing and educational materials	3,181	4,385	-	1,032	8,598
Legal	-	-	-	7,668	7,668
Utilities	2,770	3,818	-	898	7,486
Rent	2,100	2,894	-	681	5,675
Fundraising	-	-	\$ 3,985	-	3,985
Seminars, meals and travel	995	1,371	-	322	2,688
Miscellaneous	975	1,343	-	316	2,634
Repairs and maintenance	705	972	-	229	1,906
Interest	636	876	-	206	1,718
Client transportation	619	852	-	201	1,672
Postage	416	573	-	135	1,124
Dues and subscriptions	352	485	-	114	951
Property taxes	-	586	-	-	586
Total	<u>\$ 127,645</u>	<u>\$ 186,769</u>	<u>\$ 3,985</u>	<u>\$ 68,401</u>	<u>\$ 386,800</u>

See accompanying notes to financial statements.



**The Haven, Inc.**

**Statement of Cash Flows  
Year Ended June 30, 1999**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Decrease in net assets	\$ (8,673)
Adjustment to net assets (note 10)	(13,905)
Adjustment to reconcile decrease in net assets to net cash used in operating activities:	
Depreciation	9,364
(Increase) in operating assets:	
Receivables	(17,771)
Increase (decrease) in operating liabilities:	
Accounts payable	11,170
Accrued expenses	9,123
Due to affiliated organization	(3,500)

**NET CASH FLOWS USED IN OPERATING ACTIVITIES** (14,192)

**CASH FLOWS USED IN INVESTING ACTIVITIES:**

Payments for equipment	<u>(8,934)</u>
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**CASH FLOWS PROVIDED BY FINANCING ACTIVITIES:**

Proceeds from line of credit, net	<u>7,500</u>
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**NET DECREASE IN CASH AND CASH EQUIVALENTS** (15,626)

**BEGINNING CASH AND CASH EQUIVALENTS** 22,344

**ENDING CASH AND CASH EQUIVALENTS** \$ 6,718

**SUPPLEMENTAL INFORMATION:**

Cash paid during the year for interest	\$ 1,718
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See accompanying notes to financial statements.

## The Haven, Inc.

Notes to Financial Statements  
As of and for the Year Ended  
June 30, 1999

### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Haven, Inc. was organized in Louisiana as a non-profit organization for the purpose of establishing a comprehensive community-based response to sexual assault and inter-personal and family violence in Terrebonne Parish, Louisiana. The Organization provides crisis intervention, legal advocacy, counseling, and community education related to domestic violence and sexual assault. The Organization also provides temporary housing for women and children who are victims of domestic violence and/or sexual assault.

Significant accounting policies are as follows:

A. Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

B. Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Organization uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on management's analysis of specific promises made.

C. Fixed Assets

Fixed assets of the Organization, excluding donated property and equipment, are valued at cost. All donated property and equipment are recorded at estimated fair market value on the date of the donation. Assets are capitalized if costs exceed \$200 and if they have a useful life of at least one year. Depreciation of all exhaustible fixed assets is calculated using the straight-line method, and is charged as an expense against operations. Fixed assets reported on the statement of financial position are net of accumulated depreciation.

**The Haven, Inc.**

Notes to Financial Statements  
As of and for the Year Ended  
June 30, 1999

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

D. 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.

E. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

F. Cash and Cash Equivalents

Cash equivalents consist of highly liquid investments with an initial maturity of three months or less. Fair value approximates carrying amounts.

G. Income Taxes

No provisions for income taxes have been made. The Internal Revenue Service has issued The Haven, Inc. an advanced ruling letter exempting the Organization from income taxes. (See Note 2)

**NOTE 2 – INCOME TAXES**

The Haven, Inc. is a non-profit corporation organized under the laws of the State of Louisiana. The Haven has received an advanced ruling letter from the Internal Revenue Service in which it has been recognized by the Internal Revenue Service as being exempt from income taxes under Internal Revenue Code Section 501(c)(3).

The Internal Revenue Service has further determined the Organization not to be a private foundation as within the meaning of Internal Revenue Code Section 509(a). Contributions to The Haven are deductible as provided by Section 170 of the Internal Revenue Code. The Haven is not involved in any trade or business unrelated to the purpose for which it received its exemption from income taxes.

**The Haven, Inc.**

Notes to Financial Statements  
As of and for the Year Ended  
June 30, 1999

**NOTE 3 – PROMISES TO GIVE**

Unconditional promises to give consist of the following:

Government grants:

State of Louisiana:

Office of Public Health \$ 53,743

LA Commission on Law Enforcement and Administration  
of Criminal Justice 9,004

\$ 62,747

Corporate grants:

IOLTA \$ 8,748

United Way for South Louisiana 32,266

\$ 41,014

All unconditional promises to give are due within one year and are considered to be fully collectible by management.

The amount due from United Way for South Louisiana represents the Organization's allocation for the remainder of calendar year 1999, as well as a Venture Grant for \$3,400 that was approved but not yet received.

The unconditional promises to give are temporarily restricted as to the expiration of time restrictions or the satisfaction of specific payments.

**NOTE 4 – IN-KIND CONTRIBUTIONS**

In-kind contributions represent the estimated fair rental value of office space and general corporate services provided. Contributed facilities are provided on a month-to-month basis and totaled \$7,200. Contributed services are reflected in the financial statements at the fair value of the services received. The contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The value of these services totaled \$12,377.

## The Haven, Inc.

Notes to Financial Statements  
As of and for the Year Ended  
June 30, 1999

### NOTE 4 – IN-KIND CONTRIBUTIONS (Cont.)

The value of donated volunteer services is not reflected in the accompanying financial statements since there is no objective basis available by which to measure the value of such services. However, a substantial number of volunteers have donated significant amounts of their time in the Organization's program, administrative, and fund-raising activities.

### NOTE 5 – FIXED ASSETS

A summary of changes in fixed assets is as follows:

	<u>Balance July 1, 1998</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 1999</u>
Building	\$ 139,800	\$ 1,300	\$ -	\$ 141,100
Furniture, fixtures, and equipment	25,070	7,633		32,703
Less: accumulated depreciation	<u>(16,096)</u>	<u>(9,364)</u>	<u>-</u>	<u>(25,460)</u>
Total	<u>\$ 148,774</u>	<u>\$ (431)</u>	<u>\$ -</u>	<u>\$ 148,343</u>

### NOTE 6 – FAIR VALUES OF FINANCIAL INSTRUMENTS

The Haven's financial instruments, none of which are held for trading purposes, include cash and cash equivalents and contributions receivable. Management estimates that the fair value of all financial instruments at June 30, 1999, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position.

### NOTE 7 – RESTRICTIONS ON NET ASSETS

The restrictions on net assets at June 30, 1999 relate to United Way Services and IOLTA funding for the remainder of calendar year 1999.

**The Haven, Inc.**

Notes to Financial Statements  
As of and for the Year Ended  
June 30, 1999

**NOTE 8 – LINE OF CREDIT**

The Organization has a revolving line of credit agreement at a local bank to aid in cash flow. The line has a borrowing limit of \$20,000, an interest rate of 9.75% on outstanding balances, and is unsecured. At June 30, 1999, the Haven, Inc. had an outstanding principal balance of \$10,000. Interest paid under this agreement for the year ended June 30, 1999 totaled \$1,380.

**NOTE 9 – GOVERNMENT GRANTS**

During the year ended June 30, 1999 the Organization received restricted unconditional promises to give in the form of grants from the following governmental grantors:

Governmental Grants

State of Louisiana:

Office of the Governor/Office of Women's Services \$ 94,184

LA Commission on Law Enforcement and Administration  
of Criminal Justice 35,465

Office of Public Health 97,697

Total government grants \$ 227,346

**NOTE 10 – PRIOR YEAR NET ASSETS ADJUSTMENT**

At June 30, 1998, the Organization had recognized \$13,905 of unconditional promises to give from government fee-for-service and cost reimbursement contracts prior to the performance of the related services or incurring of the specific expenditures. Based on subsequent clarifications of Statement of Financial Accounting Standards (SFAS) No. 116, "Accounting for Contributions Received and Contributions Made," revenues and related receivables related to government fee-for-service and cost-reimbursement contracts should be recorded at the time the required service is performed or expense incurred. This resulted in a reduction of temporarily restricted net assets by \$13,905 and recognition of the same amount in unrestricted revenue for the year ended June 30, 1999.

**The Haven, Inc.**

Notes to Financial Statements  
As of and for the Year Ended  
June 30, 1999

**NOTE 11 – YEAR 2000 COMPLIANCE**

At June 30, 1999, The Haven, Inc. had not yet addressed the issue of Year 2000 compliance of its critical systems and equipment. Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that The Haven, Inc. is or will be Year 2000 ready, that the Organization's remediation efforts will be successful in whole or in part, or that parties with whom the Organization does business will be Year 2000 ready.

**SPECIAL REPORT OF CERTIFIED PUBLIC ACCOUNTANTS**



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and  
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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
The Haven, Inc.  
Houma, Louisiana

We have audited the financial statements of The Haven, Inc. as of and for the year ended June 30, 1999, and have issued our report thereon dated October 4, 1999. We conducted our audit in accordance with generally accepted auditing standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

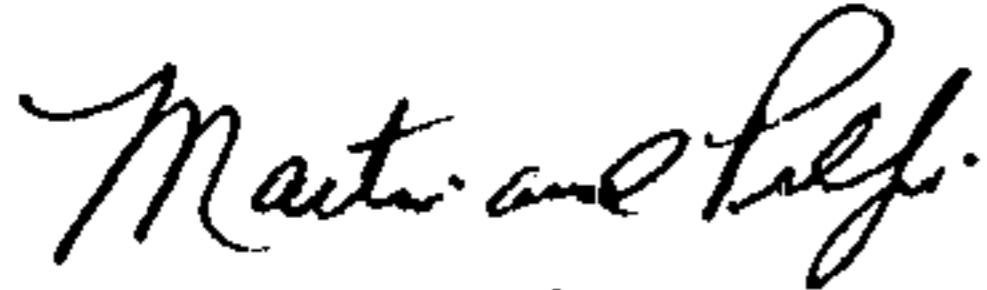
As part of obtaining reasonable assurance about whether The Haven Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on 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 one instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings and questioned costs as item 99-1.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered The Haven, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of

performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to management of The Haven, Inc. in a separate letter dated October 4, 1999.

This report is intended solely for the information and use of the Board of Directors, management, others within the organization, the Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



October 4, 1999

**SUPPLEMENTAL INFORMATION**

**The Haven, Inc.**

Schedule of Revenue and Expenditures – IOLTA Grant  
Year Ended June 30, 1999

<b>Grant Revenue</b>	<u>\$ 17,500</u>
<b>Expenses:</b>	
Salaries	16,257
Payroll Taxes	<u>1,243</u>
Total Expenses	<u>17,500</u>
 <b>Excess of Revenue over Expenses</b>	 <u><u>\$ -</u></u>

See Independent Auditor's Report.

## The Haven, Inc.

### Schedule of Findings and Questioned Costs As of and For the Year Ended June 30, 1999

#### Section I – Summary of Auditor’s Results

1. The auditor’s report expresses an unqualified opinion on the financial statements of The Haven, Inc.
2. No reportable conditions were noted during the audit of the financial statements.
3. One instance of noncompliance material to the financial statements of The Haven, Inc. required to be reported in accordance with *Government Auditing Standards*, was disclosed during the audit. (See finding 99-1 below)
4. A management letter was issued.

#### Section II – Financial Statement Findings

99-1

Condition: A violation of state law.

Criteria: Due to the extended time required to complete the June 30, 1999 audit engagement, the audit report for the Organization was not issued by the statutory deadline of December 31, 1999.

Effects of Condition: The Organization is in violation of Louisiana state law.

Cause of Condition: The Organization has had considerable turnover at its primary accounting position of office manager. A new one was hired prior to the beginning of the auditor’s fieldwork, and the Organization requested that the audit be postponed so that the new office manager could become familiar with the system. As such, fieldwork for the audit began later than what initially planned. Subsequent to completion of the audit, that office manager abruptly resigned, and another new one was hired. During this period of turnover, the condition of the filing system deteriorated substantially, making it difficult for new employees to locate information essential to the continuance of the audit. During this time, there was also a conflict with the amount of revenue confirmed by one of the granting agencies, which was later resolved.

Recommendation: The condition of the files has been addressed separately as an issue noted in the management letter. The Organization should consider examining its hiring procedures to determine that new personnel have the adequate knowledge and experience to fill the position. Operating procedures

**The Haven, Inc.**

Schedule of Findings and Questioned Costs  
As of and For the Year Ended  
June 30, 1999

should also be examined to determine whether or not changes should be made in order to simplify them.

Response: The Management of The Haven, Inc. agrees with this finding.

Questioned Costs: \$           -0-

**Section III – Federal Award Findings and Questioned Costs**

This section is not applicable.

**The Haven, Inc.**

Schedule of Prior Findings and Resolution Matters  
As of and For the Year Ended  
June 30, 1999

Note: All prior findings relate to the June 30, 1998 audit engagement.

**Section I – Internal Control and Compliance Material to the Financial Statements**

98-1

Condition: While the Organization did not violate the budget in total, certain line items of the State of Louisiana, Office of the Governor, Office of Women's Services grant (CFMS#523798) were violated.

Recommendation: The recommendation to the Organization was that procedures should be adopted whereby cumulative reimbursement requests related to the grant are tracked by budget line items and reconciled to cash disbursement records.

Status: At June 30, 1999 the condition has been addressed. Management is currently implementing controls to reduce the likelihood of exceeding budget line items.

98-2

Condition: While the Organization did not violate the budget in total, certain line items of the Louisiana Commission on Law Enforcement, Sexual Assault Program grant (#96-M8-M.05-0425) were violated.

Recommendation: The recommendation to the Organization was that procedures should be adopted whereby cumulative reimbursement requests related to the grant are tracked by budget line items and reconciled to cash disbursement records.

Status: At June 30, 1999 the condition has been addressed. Management is currently implementing controls to reduce the likelihood of exceeding budget line items.

98-3

Condition: While the Organization did not violate the budget in total, certain unapproved expenses were reimbursed by the Louisiana Commission on Law Enforcement, Sexual Assault Program grant (#96-M8-M.05-0425).

Recommendation: The recommendation to the Organization was that procedures be adopted to monitor compliance to grant budgets, and that amendments should be requested, if deemed necessary.

**The Haven, Inc.**

Schedule of Prior Findings and Resolution Matters  
As of and For the Year Ended  
June 30, 1999

Status: At June 30, 1999 the condition has been addressed. Management is currently implementing controls to reduce the likelihood of noncompliance with budget line items.

98-4

Condition: The Organization made a reimbursement request to the Louisiana Commission on Law Enforcement, Sexual Assault Program grant (#96-M8-M.05-0425) for salary costs prior to incurring the expense. However, a future reimbursement request was adjusted to reflect the error.

Recommendation: The Organization should adopt procedures whereby reimbursement requests should be reconciled to cash disbursement records.

Status: Resolved.

98-5

Condition: A former executive director improperly completed and submitted a reimbursement request to the Louisiana Commission on Law Enforcement, Sexual Assault Program grant (#96-M8-M.05-0425) for contract counseling and mileage expenses not performed.

Recommendation: The Organization should determine if such services were performed and, if they were not, should contact the grantor to resolve the issue.

Status: Resolved.

98-6

Condition: The Organization made a reimbursement request to the Louisiana Commission on Law Enforcement, Domestic Violence Program grant (#96-M8-M.05-0424) for salary costs prior to incurring the expense. However, a future reimbursement request was adjusted to reflect the error.

Recommendation: The Organization should adopt procedures whereby reimbursement requests should be reconciled to cash disbursement records.

Status: Resolved.

98-7

Condition: While the Organization did not violate the budget in total, amounts were requested in excess of those expended for the Louisiana Commission on Law Enforcement, Domestic Violence Program grant (#96-M8-M.05-0424).



**The Haven, Inc.**

Schedule of Prior Findings and Resolution Matters  
As of and For the Year Ended  
June 30, 1999

Recommendation: The Organization should adopt procedures whereby reimbursement requests should be reconciled to cash disbursement records.

Status: At June 30, 1999 the condition has been addressed. Management is currently implementing controls to reduce the likelihood of noncompliance with budget line items.

98-8

Condition: While the Organization did not violate the budget in total, certain line items of the Louisiana Commission on Law Enforcement, Domestic Violence Program grant (#96-M8-M.05-0424) were violated.

Recommendation: The recommendation to the Organization was that procedures should be adopted whereby cumulative reimbursement requests related to the grant are tracked by budget line items and reconciled to cash disbursement records.

Status: At June 30, 1999 the condition has been addressed. Management is currently implementing controls to reduce the likelihood of exceeding budget line items.

98-9

Condition: A former executive director improperly completed and submitted a reimbursement request to the Louisiana Commission on Law Enforcement, Domestic Violence Program grant (#96-M8-M.05-0424) for contract counseling and mileage expenses not performed.

Recommendation: The Organization should determine if such services were performed and, if they were not, should contact the grantor to resolve the issue.

Status: Resolved.

98-10

Condition: The Louisiana Children's Trust Fund grant (CFMS #519743) was charged an effective hourly rate higher than that prescribed by the grant.

Recommendation: The Organization should adopt procedures to ensure that reimbursement requests for the teaching of such classes related to this grant be based on the actual hours taught at the approved rate rather than the total dollar amount paid.

**The Haven, Inc.**

Schedule of Prior Findings and Resolution Matters  
As of and For the Year Ended  
June 30, 1999

Status: Resolved.

98-11

Condition: The Organization did not sufficiently document hours for a person serving multiple roles for salary reimbursement from the Louisiana Commission on Law Enforcement, METLEC grant (#97-J7-J.5-0233).

Recommendation: A detailed timesheet should be maintained to substantiate that the employee and Organization are acting within prescribed guidelines.

Status: At June 30, 1999, the condition has been addressed. The Organization is implementing controls to maintain sufficient documentation for such activities.

98-12

Condition: While the Organization did not violate the budget in total, salary expenses and related costs were requested in excess of those expended for the Louisiana Bar Association IOLTA grant (#98-0027).

Recommendation: The Organization should adopt procedures whereby reimbursement requests should be reconciled to cash disbursement records.

Status: At June 30, 1999 the condition has been addressed. Management is currently implementing controls to reduce the likelihood of noncompliance with budget line items.

98-13

Condition: The former executive director and multiple employees obtained credit cards in the Organization's name and used them for personal purchases without the approval of management.

Recommendation: The Organization should decide the proper action to take to make the employees accountable for their actions.

Status: Resolved. All of the employees in question were terminated.

98-14

Condition: The signature on the acceptance of the Louisiana Commission on Law Enforcement, Domestic Violence Program grant (#96-M8-M.05-0424) appears to have been forged. However, Management indicated that this

**The Haven, Inc.**

**Schedule of Prior Findings and Resolution Matters  
As of and For the Year Ended  
June 30, 1999**

document would have been approved had it been forwarded to the Board President.

Recommendation: The Organization should determine the proper action to take to make the employee accountable for her actions.

Status: Resolved. The employee in question was terminated and the proper authorities notified.

98-15

Condition: The size of the Haven's operations and its limited accounting staff preclude an adequate segregation of duties and other features of an adequate system of internal control.

Recommendation: The Board of Directors of The Haven, Inc. should closely monitor the day-to-day activities of the organization and implement other control procedures until the agency has grown to the point where it is cost beneficial to employ an adequate system of internal control.

Status: Resolved.

98-16

Condition: A reportable condition in internal control whereby individuals other than those authorized by the Organization's bylaws, but included on the signature cards, signed checks.

Recommendation: The Board of Directors needs to determine who should be authorized to sign checks and, if required, should amend the bylaws accordingly.

Status: Resolved.

98-17

Condition: A reportable condition in internal control whereby certain fixed assets, primarily those donated or purchased with general contributions, could not be accounted for.

Recommendation: The Haven, Inc. should adopt procedures whereby an inventory owned assets is established and physically observed on a periodic basis.

Status: Resolved.

**The Haven, Inc.**

Schedule of Prior Findings and Resolution Matters  
As of and For the Year Ended  
June 30, 1999

98-18

*Condition:* A reportable condition in internal control whereby certain employees used the Organization's resources for personal benefit. Personal expenses were being incurred by the Haven, Inc.

*Recommendation:* The Organization should adopt procedures whereby an individual independent of the payment approval function periodically reviews paid items for propriety.

Status: Resolved.

98-19

*Condition:* A reportable condition in internal control in which the former executive director gave "comp time" rather than salary to employees for overtime hours worked in violation of the Organization's personnel policy.

*Recommendation:* The Organization should adopt procedures whereby an individual independent of the payroll function periodically reviews paid items for propriety.

Status: Resolved.

98-20

*Condition:* A reportable condition in internal control in which the former executive director was paid for unused vacation during her employment in violation of the personnel policy.

*Recommendation:* The Organization should adopt procedures whereby an individual independent of the payroll function periodically reviews paid items for propriety.

Status: Resolved.

98-21

*Condition:* A reportable condition in internal control in which the former executive director enacted retroactive pay raises to herself and other employees in violation of the personnel policy.

*Recommendation:* The Organization should adopt procedures whereby an individual independent of the payroll function periodically reviews paid items for propriety.

**The Haven, Inc.**

Schedule of Prior Findings and Resolution Matters  
As of and For the Year Ended  
June 30, 1999

Status: Resolved.

**Section II – Internal Control and Compliance Material to Federal Awards**

This section is not applicable.

**Section III – Management Letter**

Reimbursement for Employee-Initiated Purchases

Condition: Numerous transactions were noted in which employees made purchases on the Organization's behalf and were later reimbursed, increasing the risk of misappropriation of assets.

Recommendation: The Organization should implement a purchase order or similar system in which prior approval is required for purchases,

Status: Resolved.

Proper Allocation of Grant-Reimbursed Expenditures

Condition: Invoices examined during the audit did not always include an indication of which grant the expense applied.

Recommendation: A step should be implemented in the cash disbursement function whereby the grant to be charged should be indicated on the purchase order as part of the approval for payment.

Status: Resolved.

Classification of Fixed Assets

Condition: Fixed assets purchased were often charged to expense accounts rather than the proper balance sheet account.

Recommendation: Fixed asset purchases should be accounted for in accordance with the Organization's capitalization policy.

Status: Resolved.

Proper Authorization for Cash Expenditures

Condition: It was noted that expenditures did not always have evidence of approval by someone in a supervisory position.

## The Haven, Inc.

### Schedule of Prior Findings and Resolution Matters As of and For the Year Ended June 30, 1999

Recommendation: All disbursements should have evidence of approval prior to payment.

Status: Resolved.

#### Employees Paid as Contract Labor

Condition: Some employees of the Organization were paid as contract labor for teaching classes and leading counseling sessions, as well as receiving their regular salaries, so that they received 1099's as well as W-2's.

Recommendation: The Organization should include compensation for all services performed by employees in their salaries.

Status: Resolved.

#### Expense Reports

Condition: Management questioned the validity of many expense reports turned in, due to the vague nature of the form.

Recommendation: The Organization should consider revising the form, require supporting documentation for all reimbursements, and require submission on a periodic basis.

Status: Resolved.

#### Receipt of Deliveries

Condition: Individuals who were volunteers or clients, but not employees of the Organization received deliveries of office supplies, housekeeping items, etc..

Recommendation: Only employees of the Haven should have the authority to receive deliveries.

Status: Resolved.

#### Proper Classification of Fundraising Revenue

Condition: Unsolicited and solicited contributions were both booked to the same revenue account.

Recommendation: For improved presentation, unsolicited contributions and fundraising revenue should be booked to separate revenue accounts.

Status: Resolved.

**The Haven, Inc.**

**Management's Corrective Action  
Plan for Current Year Findings  
As of and For the Year Ended  
June 30, 1999**

The contact person for all corrective actions noted below is Monique Rhodes-Monoc, Executive Director.

**SECTION I – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS**

99-1

Condition: A violation of Louisiana state law due to the audited report being submitted after the statutory deadline.

Recommendation: The Organization should consider examining its hiring procedures to determine that new personnel have the adequate knowledge and experience to fill the position, and the current filing system needs to be improved upon.

Planned Actions: The Organization will examine its hiring procedures to ensure that potential employees have the experience and knowledge to fill the position. The current office manager is in the process of improving the quality and condition of the filing system.

**SECTION II – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS**

This section is not applicable.

**SECTION III – MANAGEMENT LETTER**

Maintenance of Filing System

Condition: The condition of the filing system diminishes its usefulness, increasing the amount of time needed to locate pertinent information.

Recommendation: Current files need to be cleaned up and old files should be transferred to storage.

Planned Actions: The office manager is currently in the process of cleaning up the filing system by removing old files and examining current files for completeness.

Supporting Documentation for Expenses

Condition: No supporting documentation could be located for certain transactions.

**The Haven, Inc.**

**Management's Corrective Action  
Plan for Current Year Findings  
As of and For the Year Ended  
June 30, 1999**

**Recommendation:** All cash disbursements should have supporting documentation attached and should be properly filed.

**Planned Actions:** The office manager is currently cleaning up the filing system and examining current files for completeness. Policies regarding supporting documentation are already in place and will be more stringently enforced.



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**The Haven, Inc.**

Management Letter

June 30, 1999

**Martin  
and  
Pellegrin**

103 Ramey Road  
Houma, Louisiana 70361

*Certified Public Accountants  
(A Professional Corporation)*

Ph. (504) 851-3638  
Fax (504) 851-3951

October 4, 1999

To the Board of Directors  
The Haven, Inc.  
Houma, Louisiana

In planning and performing our audit of the financial statements of The Haven, Inc. for the year ended June 30, 1999, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control.

However, during our audit, we became aware of matters that are opportunities for strengthening internal controls and operating efficiency. The detail below summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated October 4, 1999, on the financial statements of The Haven, Inc.

Maintenance of Filing System

During the audit, there were numerous instances in which additional time was needed to locate documentation due to the condition of the filing system. Improvements to the filing system would increase efficiency in everyday operations, as well as decrease the likelihood of misplacing supporting documentation for grants and other important items. We recommend that the time be taken to clean up current files and to transfer older files that are no longer used to storage.

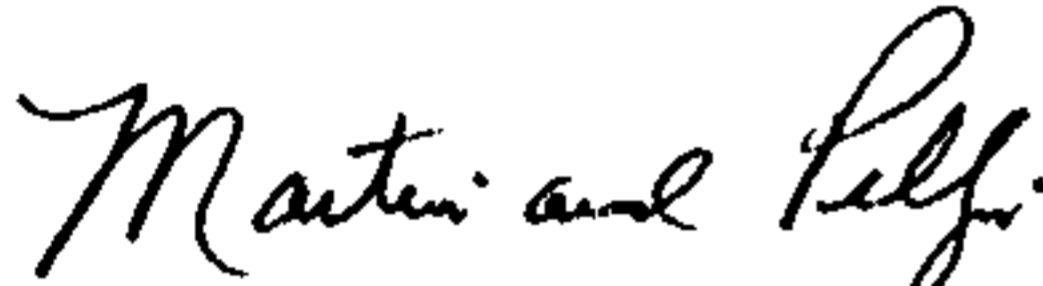
Supporting Documentation for Expenses

During testing of expenses, no supporting documentation could be located for three transactions. An adequate system of internal control includes mechanisms to ensure that all expenditures contain adequate supporting documentation. We recommend that all disbursements have some form of supporting documentation attached to the check stub and are properly filed.

Board of Directors  
The Haven, Inc.  
October 4, 1999  
Page 2

We will review the status of these comments during our next audit engagement. We will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Sincerely,

  
Martin and Pellegrin, CPA's (PC)