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SOUTHEAST SPOUSE ABUSE PROGRAM

FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED

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 1-19-00

SOUTHEAST SPOUSE ABUSE PROGRAM

**FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
June 30, 1999**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of the Southeast Spouse Abuse Program
Post Office Box 1946
Hammond, Louisiana 70401

We have audited the accompanying statement of financial position of the Southeast Spouse Abuse Program (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 Program'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 *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 misstatements. 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 Southeast Spouse Abuse Program 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 December 1, 1999, on our consideration of the Southeast Spouse Abuse Program's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.



Bruce Harrell & Company, CPAs

A Professional Accounting Corporation

December 1, 1999

**SOUTHEAST SPOUSE ABUSE
STATEMENT OF FINANCIAL POSITION
June 30, 1999**

ASSETS

Current Assets:

| | | |
|---|----|---------|
| Cash | \$ | 37,471 |
| Receivable - LA State | | 7,558 |
| Receivable - Crime Victims Assistance | | 28,143 |
| Receivable - LA Marriage License | | 2,586 |
| Receivable - Family Violence Prevention | | 4,392 |
| Receivable - Emergency Shelter Grant Program | | 6,095 |
| Receivable - Stop Violence Against Women Act | | 5,235 |
| Receivable - Southeast Louisiana Legal Services | | 417 |
| Receivable - Tangipahoa Area United Way | | 19,500 |
| Receivable - Bogalusa Area United Way | | 5,200 |
| Prepaid Expense | | 4,025 |
| Total Current Assets | | 120,622 |

Fixed Assets:

| | | |
|--------------------------------|----|----------|
| Computers & Software | | 38,584 |
| Furniture & Fixtures | | 19,033 |
| Equipment | | 35,906 |
| Library | | 434 |
| Less: Accumulated Depreciation | | (58,651) |
| Total Fixed Assets | | 35,306 |
| Total Assets | \$ | 155,928 |

LIABILITIES AND NET ASSETS

Current Liabilities:

| | | |
|-----------------------|----|-------|
| Accrued Liabilities | \$ | 7,210 |
| Due to IOLTA (Note H) | | 410 |
| Total Liabilities | | 7,620 |

Net Assets:

| | | |
|-----------------------------------|----|---------|
| Unrestricted Net Assets: | | |
| Operating | | 108,608 |
| Board Designated | | 15,000 |
| Total Unrestricted Net Assets | | 123,608 |
| Temporarily Restricted Net Assets | | 24,700 |
| Total Net Assets | | 148,308 |
| Total Liabilities & Net Assets | \$ | 155,928 |

The accompanying notes are an integral part of these statements.

**SOUTHEAST SPOUSE ABUSE
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 1999**

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Totals</u> |
|--|---------------------|-----------------------------------|----------------|
| PUBLIC SUPPORT & REVENUE | | | |
| State Contract Funds | \$ - | \$ 106,331 | \$ 106,331 |
| United Way Funds | - | 19,746 | 19,746 |
| Individual Contributions | 375 | - | 375 |
| Clubs & Organizations | 2,872 | - | 2,872 |
| Interest Income | 806 | - | 806 |
| SLU Project Funds | 18,818 | - | 18,818 |
| Family Violence Prevention Fund | - | 60,328 | 60,328 |
| Bogalusa United Way | - | 5,200 | 5,200 |
| Crime Victims Assistance | - | 68,784 | 68,784 |
| LA Marriage License Fund | - | 25,653 | 25,653 |
| IOLTA Fund | - | 21,440 | 21,440 |
| Emergency Shelter Grant Program | - | 17,155 | 17,155 |
| Stop Violence Against Women Act | - | 20,985 | 20,985 |
| Southeast Louisiana Legal Services | 3,750 | - | 3,750 |
| Other Income | 1,570 | - | 1,570 |
| Net Assets Released from Restrictions: | | | |
| Satisfaction of Program Restrictions | 324,310 | (324,310) | - |
| Satisfaction of Time Restrictions | 24,700 | (24,700) | - |
| Total Support & Revenue | <u>377,201</u> | <u>(3,388)</u> | <u>373,813</u> |
| EXPENSES: | | | |
| Payroll - | | | |
| Salaries & Wages | 195,801 | - | 195,801 |
| Payroll Taxes | 14,990 | - | 14,990 |
| Total Payroll Expense | <u>210,791</u> | <u>-</u> | <u>210,791</u> |
| Advertising | 381 | - | 381 |
| Apartment Rent | 9,600 | - | 9,600 |
| Bank Charges | 240 | - | 240 |
| Bus Tickets | 201 | - | 201 |
| Client Emergency Expense | 5,764 | - | 5,764 |
| Contract Services | 14,815 | - | 14,815 |
| Depreciation | 12,549 | - | 12,549 |
| Dues & Subscriptions | 606 | - | 606 |
| Employee Travel | 6,502 | - | 6,502 |

(Continued)

The accompanying notes are an integral part of these statements.

**SOUTHEAST SPOUSE ABUSE
STATEMENT OF ACTIVITIES
(Continued)
June 30, 1999**

| EXPENSES: (Continued) | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Totals</u> |
|---|---------------------|-----------------------------------|-------------------|
| Equipment Rentals | 58 | - | 58 |
| Homeless Prevention | 1,115 | - | 1,115 |
| Insurance | 15,221 | - | 15,221 |
| Janitorial | 1,375 | - | 1,375 |
| Maintenance | 7,063 | - | 7,063 |
| Miscellaneous | 1,101 | - | 1,101 |
| Office Rent | 26,950 | - | 26,950 |
| Office Security | 332 | - | 332 |
| Pager | 567 | - | 567 |
| Postage | 707 | - | 707 |
| Printing & Copying | 1,069 | - | 1,069 |
| Program Travel | 3,856 | - | 3,856 |
| Supplies | 7,780 | - | 7,780 |
| Telephone | 9,470 | - | 9,470 |
| Training | 2,866 | - | 2,866 |
| Utilities | 8,694 | - | 8,694 |
| Volunteer Expense | 1,004 | - | 1,004 |
| | <u>350,677</u> | <u>-</u> | <u>350,677</u> |
| Change in Net Assets | 26,524 | (3,388) | 23,136 |
| Net Assets at Beginning of Year, As Previously Reported | 86,644 | 3,388 | 90,032 |
| Prior Period Adjustment (Note J) | 10,440 | 24,700 | 35,140 |
| Net Assets at Beginning of Year, As Restated | <u>97,084</u> | <u>28,088</u> | <u>125,172</u> |
| Net Assets at End of Year | <u>\$ 123,608</u> | <u>\$ 24,700</u> | <u>\$ 148,308</u> |

(Concluded)

The accompanying notes are an integral part of these statements.

**SOUTHEAST SPOUSE ABUSE
STATEMENT OF FUNCTIONAL EXPENSES
June 30, 1999**

| | Supporting Services | | Program Services | | |
|--------------------------|------------------------------|---------------------|--------------------------------|-----------------------------|---------------------------|
| | Management and General | Client Emergency | Louisiana State Contract | Tangipahoa United Way | Bogalusa United Way |
| EXPENSES: | | | | | |
| Payroll - | | | | | |
| Salaries & Wages | \$ - | \$ - | \$ 85,280 | \$ - | \$ 103 |
| Payroll Taxes | 57 | - | 8,381 | - | - |
| Total Payroll Expense | <u>57</u> | <u>-</u> | <u>93,661</u> | <u>-</u> | <u>103</u> |
| Advertising | 166 | - | - | 215 | - |
| Apartment Rent | - | - | - | - | - |
| Bank Charges | - | - | - | 240 | - |
| Bus Tickets | - | 201 | - | - | - |
| Client Emergency Expense | - | - | - | 1,064 | - |
| Contract Services | 7,520 | - | - | 595 | - |
| Depreciation | 12,549 | - | - | - | - |
| Dues & Subscriptions | - | - | - | 356 | - |
| Employee Travel | 623 | - | - | - | 404 |
| Equipment Rentals | 58 | - | - | - | - |
| Homeless Prevention | - | - | - | - | - |
| Insurance | - | - | 727 | 4,044 | 70 |
| Janitorial | - | - | - | - | - |
| Maintenance | - | - | - | 2,592 | 76 |
| Miscellaneous | - | 102 | - | 999 | - |
| Office Rent | - | - | - | 1,200 | - |
| Office Security | 35 | - | - | 90 | 9 |
| Pager | - | - | - | 567 | - |
| Postage | - | - | - | - | 707 |
| Printing & Copying | 591 | - | - | 478 | - |
| Program Travel | - | - | 1,066 | 2,790 | - |
| Supplies | 887 | - | 125 | 1,650 | 180 |
| Telephone | - | - | 657 | - | - |
| Training | - | - | - | 2,866 | - |
| Utilities | 204 | 250 | - | - | - |
| Volunteer Expense | - | - | - | - | 1,004 |
| Total Expenses | <u>\$ 22,690</u> | <u>\$ 553</u> | <u>\$ 96,236</u> | <u>\$ 19,746</u> | <u>\$ 2,553</u> |

The accompanying notes are an integral part of these statements.

Program Services

| Crime Victims Assistance | Louisiana Marriage License | IOLTA | Family Violence Prevention | Emergency Shelter Grant Program | Stop Violence Against Women Act | Totals |
|--------------------------------|----------------------------------|------------------|----------------------------------|---------------------------------------|---------------------------------------|-------------------|
| \$ 46,097 | \$ 1,007 | \$ 24,828 | \$ 38,486 | \$ - | \$ - | \$ 195,801 |
| 3,890 | - | - | 2,662 | - | - | 14,990 |
| <u>49,987</u> | <u>1,007</u> | <u>24,828</u> | <u>41,148</u> | <u>-</u> | <u>-</u> | <u>210,791</u> |
| - | - | - | - | - | - | 381 |
| - | - | - | - | 9,600 | - | 9,600 |
| - | - | - | - | - | - | 240 |
| - | - | - | - | - | - | 201 |
| - | 4,700 | - | - | - | - | 5,764 |
| - | 3,500 | - | 3,200 | - | - | 14,815 |
| - | - | - | - | - | - | 12,549 |
| - | 250 | - | - | - | - | 606 |
| 5,475 | - | - | - | - | - | 6,502 |
| - | - | - | - | - | - | 58 |
| - | - | - | - | 1,115 | - | 1,115 |
| 3,562 | 6,818 | - | - | - | - | 15,221 |
| 211 | 1,164 | - | - | - | - | 1,375 |
| - | - | - | 4,395 | - | - | 7,063 |
| - | - | - | - | - | - | 1,101 |
| - | 4,765 | - | - | - | 20,985 | 26,950 |
| - | 198 | - | - | - | - | 332 |
| - | - | - | - | - | - | 567 |
| - | - | - | - | - | - | 707 |
| - | - | - | - | - | - | 1,069 |
| - | - | - | - | - | - | 3,856 |
| 581 | 1,000 | - | 3,357 | - | - | 7,780 |
| 5,163 | 1,672 | - | 1,978 | - | - | 9,470 |
| - | - | - | - | - | - | 2,866 |
| - | - | - | 6,000 | 2,240 | - | 8,694 |
| - | - | - | - | - | - | 1,004 |
| <u>\$ 64,979</u> | <u>\$ 25,074</u> | <u>\$ 24,828</u> | <u>\$ 60,078</u> | <u>\$ 12,955</u> | <u>\$ 20,985</u> | <u>\$ 350,677</u> |

**SOUTHEAST SPOUSE ABUSE
STATEMENT OF CASH FLOWS
June 30, 1999**

CASH FLOWS FROM OPERATING ACTIVITIES

| | | |
|--|----|----------|
| Change in Net Assets | \$ | 26,522 |
| Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities: | | |
| Depreciation | | 12,549 |
| Change in Accounts Receivable | | (18,873) |
| Change in Prepaid Expenses | | (65) |
| Change in Accounts Payable and Accrued Expenses | | (1,332) |
| Change in Due to IOLTA (Note H) | | 410 |
| Change in Temporarily Restricted Assets | | (3,388) |
| Prior Period Adjustment (Note J) | | 10,440 |
| Net Cash Provided from Operating Activities | | 26,263 |

CASH FLOWS FROM INVESTING ACTIVITIES

| | | |
|---|--|----------|
| Purchase of Equipment | | (14,266) |
| Total Cash Flows Used by Investing Activities | | (14,266) |

| | | |
|----------------------|--|--------|
| Net Increase in Cash | | 11,997 |
|----------------------|--|--------|

CASH AT BEGINNING OF YEAR

25,474

CASH AT END OF YEAR

\$ 37,471

The accompanying notes are an integral part of these statements.

SOUTHEAST SPOUSE ABUSE PROGRAM
NOTES TO THE FINANCIAL STATEMENTS

June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization

Southeast Spouse Abuse Program is a nonprofit corporation organized for the purpose of providing the following:

- A. Emotional and psychological support to victims of family violence through the provision of crisis intervention and support counseling, advocacy, and referrals for other forms of necessary assistance.
- B. Information on the alternatives available to abused spouses, including information on shelter, public benefits, legal and criminal justice systems.
- C. Assistance to victims of family violence in establishing lives free from violence through help in searching for employment, housing and child care.
- D. Education to the people of Tangipahoa, St. Helena, Livingston, and Washington Parishes about the issues, concerns, and problems involved in family violence. This includes the training of law enforcement, health care, social service, and legal personnel who affect the lives of abused spouses.

Basis of Accounting

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

Support and Revenue

Southeast Spouse Abuse Program receives grant and contract support primarily from the Office of Women's Services, Louisiana Commission on Law Enforcement, Southeastern Louisiana University, Tangipahoa Area United Way, United Way of Bogalusa, Louisiana Bar Foundation and City of Hammond.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction

expires in the reporting period in which the support is recognized. All other donor-restricted support is

SOUTHEAST SPOUSE ABUSE PROGRAM

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Promises to Give

Unconditional promises to give, if applicable, less an allowance for uncollectible amounts, are recognized as revenue in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Southeast Spouse Abuse Program considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Fixed Assets, Depreciation

Fixed assets used by the Southeast Spouse Abuse Program are stated at cost. Depreciation is provided on the straight-line method over the useful life of the assets.

Donated Services

A significant portion of the Southeast Spouse Abuse Program's functions are conducted by unpaid volunteers. The value of this contributed time is not reflected in the accompanying financial statements since the volunteers' time does not meet the criteria for recognition under SFAS No. 116.

SOUTHEAST SPOUSE ABUSE PROGRAM
NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

June 30, 1999

NOTE B - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes or periods:

| | |
|---|-----------|
| Tangipahoa Area United Way funds not expended through June 30, 1999 | \$ 19,500 |
| Bogalusa Area United Way funds not expended through June 30, 1999 | 5,200 |
| | \$ 24,700 |
| Total Temporarily Restricted Net Assets | \$ 24,700 |

NOTE C - DESIGNATED NET ASSETS

| | |
|---|-----------|
| Board of Directors designated for future operations | \$ 15,000 |
|---|-----------|

NOTE D - FIXED ASSETS

Fixed assets at June 30, 1999, are summarized as follows by major classification:

| | |
|--------------------------------|-----------|
| Computers & Software | \$ 38,584 |
| Furniture and Fixtures | 19,033 |
| Equipment | 35,906 |
| Library | 434 |
| Subtotal | 93,957 |
| Less: Accumulated Depreciation | (58,651) |
| Fixed Assets, Net | \$ 35,306 |

SOUTHEAST SPOUSE ABUSE PROGRAM
NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

June 30, 1999

NOTE E - ACCRUED VACATION

Vacation days are earned at the rate of one-half day per semi-monthly pay period that an employee *satisfactorily completes work*. No more than ten vacation days may be carried over from one calendar year to another. Compensation for days remaining will be paid upon termination of employment at the end of each pay period as if that employee had worked during the period. No other employee liability will be recognized in connection with length of employment.

NOTE F - INCOME TAXES

The Southeast Spouse Abuse Program has an exemption from federal income taxes under Section 501 C (3) of the Internal Revenue Service Code and from Louisiana income taxes. The organization has been classified as an organization that is not a private foundation under Section 509 (a) (2) of the Internal Revenue Code and qualifies for the 50% charitable contribution deduction for individual donors.

NOTE G - ALLOCATION OF EXPENSES

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

NOTE H - DUE TO IOLTA

During the fiscal year ending June 30, 1999, the Southeast Spouse Abuse Program received \$21,850 in IOLTA grant revenue. Of this amount \$21,440 was expended during the fiscal year. At June 30, 1999, the Program had not received written permission from IOLTA to carry over the unused balance therefore the unearned balance of \$410 has been recorded as a liability on the statement of financial position.

SOUTHEAST SPOUSE ABUSE PROGRAM
NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

June 30, 1999

NOTE I - UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give as of June 30, 1999, are as follows:

| | | |
|--------------------------------------|----|---------------|
| Tangipahoa Area United Way | \$ | 19,500 |
| Bogalusa Area United Way | | 5,200 |
| Total Unconditional Promises To Give | \$ | <u>24,700</u> |

All of the above unconditional promises to give are receivable in one year or less.

NOTE J - PRIOR PERIOD ADJUSTMENT

Financial Accounting Standards Board (FASB) Statement No. 116, *Accounting for Contributions Received and Contributions Made* requires that unconditional promises to give be reported as contribution revenue and receivable in the year the promise is made. For the fiscal year ended June 30, 1998, a \$19,500 promise to give from Tangipahoa Area United Way and a \$5,200 promise to give from Bogalusa Area United Way were not reported as temporarily restricted contribution revenue as required by FASB Statement No. 116.

For the year ended June 30, 1998, reimbursements from Southeastern Louisiana University for various program expenses were under-reported by \$10,440.

The net effect of these adjustments was to increase net assets by \$35,140 at June 30, 1998 as enumerated below:

| | | Unrestricted | Temporarily Restricted | Total |
|--|----|---------------|---------------------------|------------------|
| Under reported Revenue - Tangipahoa United Way | \$ | - | \$ 19,500 | \$ 19,500 |
| Under reported Revenue - Bogalusa United Way | | - | 5,200 | 5,200 |
| Under reported Revenue - S.L.U. | | 10,440 | - | 10,440 |
| | \$ | <u>10,440</u> | <u>\$ 24,700</u> | <u>\$ 35,140</u> |

SOUTHEAST SPOUSE ABUSE PROGRAM
NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

June 30, 1999

NOTE K - EXPENDITURES OF FEDERAL AWARDS

| FEDERAL GRANTOR/PASS THROUGH GRANTOR PROGRAM TITLE | FEDERAL CFDA NUMBER | | DISBURSEMENTS/ EXPENDITURES |
|---|---------------------------|----|--------------------------------|
| Department of Justice | | | |
| Counselor/Advocate Position | 16.575 | \$ | 68,784 |
| Stop Violence Against Women Act | 16.588 | | 20,985 |
| Department of Health and Human Services | | | |
| Family Violence Prevention and Human Services Act | 93.67 | | 60,328 |
| Department of Health and Human Services State Office of Community Services | | | |
| Emergency Shelter Grants Program | 14.231 | | 17,155 |
| | | | |
| Total Federal Awards | | \$ | 167,252 |

SOUTHEAST SPOUSE ABUSE PROGRAM
NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

June 30, 1999

NOTE L - OPERATING LEASE

On January 23, 1998, the Southeast Spouse Abuse Program entered a three-year lease with an option to renew for an additional three years for its office facility with Westpark Investments, Inc. The leased premises specifically consist of 4,280 square feet of the second floor of the Westpark Professional Building. The term of the lease for this space will be three years, commencing on the first day of February 1998 and terminating on the thirty-first day of January 2001.

Minimum rentals, on an annual basis, including the option years are as follows:

| Calendar Year | Rental Per Month | Maintenance (interior and exterior) Per Month | Rental and Maintenance Per Year |
|---------------|------------------|---|---------------------------------|
| 2000 | \$ 2,650.00 | \$ 125.00 | \$ 33,300.00 |
| 2001 | \$ 2,782.50 | \$ 125.00 | \$ 34,890.00 |
| 2002 | \$ 2,782.50 | \$ 125.00 | \$ 34,890.00 |
| 2003 | \$ 2,782.50 | \$ 125.00 | \$ 34,890.00 |

NOTE M - YEAR 2000 DISCLOSURES (UNAUDITED)

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the Program as early as fiscal year 1999 and subsequent to December 31, 1999. The Program's management has asserted that they will take the necessary steps before December 31, 1999 to achieve year 2000 compliance for its computer and software systems. However, 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 Program is or will be year 2000 ready, or that parties with whom the Program does business will be year 2000 ready.

SOUTHEAST SPOUSE ABUSE PROGRAM

**Summary Schedule of Prior Audit Findings
Year Ended June 30, 1998**

Section I - Internal Control and Compliance Material to the Financial Statements

No Findings for Section I

Section II - Internal Control and Compliance Material to Federal Awards

No Findings for Section II

Section III - Management Letter

No Findings for Section III

SOUTHEAST SPOUSE ABUSE PROGRAM

**Corrective Action Plan for Current Year Audit Findings
Year Ended June 30, 1999**

Section I - Internal Control and Compliance Material to the Financial Statements

No Findings for Section I

Section II - Internal Control and Compliance Material to Federal Awards

No Findings for Section II

Section III - Management Letter

No Findings for Section III

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**INDEPENDENT AUDITOR'S 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
of the Southeast Spouse Abuse Program
Post Office Box 1946
Hammond, Louisiana 70401

We have audited the financial statements of the Southeast Spouse Abuse Program (a nonprofit organization), as of and for the year ended June 30, 1999, and have issued our report thereon dated December 1, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Southeast Spouse Abuse Program's 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Southeast Spouse Abuse Program'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 certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that in our judgement, could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

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Due to lack of personnel, the Southeast Spouse Abuse Program is not able to have proper segregation of duties.

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. Our consideration of the internal control structure would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that none of the reportable conditions described above is a material weakness.

This report is intended solely for the use of management, the Louisiana Legislative Auditor, and the Federal Cognizant Agencies and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the Southeast Spouse Abuse Program, is a matter of public record.



Bruce Harrell & Company
Certified Public Accountants

December 1, 1999