

The Haven, Inc.

Financial Statements
and Independent Auditor's Report
June 30, 2021

The Haven, Inc.
Financial Statements and Independent Auditor's Report
As of and for the Year Ended
June 30, 2021

Table of Contents

	<u>Page</u>
Independent Auditor's Report	1 - 2
Financial Statements	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 14
Supplemental Information	
Schedule of Compensation, Benefits, and Other Payments to the Executive Director	15
Special Report of Certified Public Accountants	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	16 - 17
Other Information	
Schedule of Findings and Responses	18 - 19
Management's Corrective Action Plan for Current Year Findings	20
Schedule of Prior Findings and Resolution Matters	21

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of The Haven, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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, 2021, and the changes in its nets assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Compensation, Benefits, and Other Payments to the Executive Director on page 15 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2021, on our consideration of The Haven, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.



Houma, Louisiana
December 29, 2021

FINANCIAL STATEMENTS

The Haven, Inc.
Statement of Financial Position
June 30, 2021

ASSETS

Current assets:

Cash and cash equivalents	\$ 377,333
Unconditional promises to give:	
Corporate grants	27,251
Governmental grants	243,225
Total current assets	<u>647,809</u>

Property and equipment, net of accumulated depreciation of \$315,700	524,849
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Deposit	<u>600</u>
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TOTAL ASSETS \$ 1,173,258

LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable	\$ 40,421
Accrued expenses	12,320
Current maturities of note payable	21,533
Total current liabilities	<u>74,274</u>

Non-current liabilities:

Notes payable, less current maturities	<u>220,775</u>
Total liabilities	<u>295,049</u>

Net assets:

Without donor restrictions	860,081
With donor restrictions	18,128
Total net assets	<u>878,209</u>

TOTAL LIABILITIES AND NET ASSETS \$ 1,173,258

See accompanying notes.

The Haven, Inc.
Statement of Activities
Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, OTHER SUPPORT, AND RECLASSIFICATION			
Grants:			
Governmental	\$ 1,184,695	\$ -	\$ 1,184,695
Corporate	69,649	36,251	105,900
Fundraising	161,701	-	161,701
Contributions	102,128	-	102,128
In-kind contributions	60,246	-	60,246
Net assets released from restrictions	34,125	(34,125)	-
TOTAL REVENUES, OTHER SUPPORT, AND RECLASSIFICATION	1,612,544	2,126	1,614,670
FUNCTIONAL EXPENSES			
Program services			
Domestic violence	1,165,505	-	1,165,505
Sexual assault	230,991	-	230,991
Management and general	181,985	-	181,985
Fundraising	2,784	-	2,784
TOTAL FUNCTIONAL EXPENSES	1,581,265	-	1,581,265
OTHER INCREASES IN NET ASSETS			
Other income	141,176	-	141,176
Investment income	375	-	375
TOTAL OTHER INCREASES IN NET ASSETS	141,551	-	141,551
INCREASE IN NET ASSETS	172,830	2,126	174,956
NET ASSETS, BEGINNING OF PERIOD	687,251	16,002	703,253
NET ASSETS, END OF PERIOD	\$ 860,081	\$ 18,128	\$ 878,209

See accompanying notes.

The Haven, Inc.
Statement of Functional Expenses
Year Ended June 30, 2021

	<u>Program Services</u>		<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
	<u>Domestic Violence</u>	<u>Sexual Assault</u>			
Salaries	\$ 434,240	\$ 110,180	\$ 103,699	\$ -	\$ 648,119
Client assistance	310,066	-	-	-	310,066
Professional fees	125,634	35,895	17,948	-	179,477
Insurance - health	85,721	21,750	20,471	-	127,942
Payroll taxes	33,808	8,578	8,073	-	50,459
SANE examination	19,274	19,274	-	-	38,548
Food and house supplies	31,594	-	-	-	31,594
Insurance - commercial	18,819	5,377	2,688	-	26,884
Rent	19,912	6,637	-	-	26,549
Depreciation	15,064	4,304	2,152	-	21,520
Office supplies	13,363	3,818	1,909	-	19,090
Telephone	13,002	3,715	1,857	-	18,574
Audit and accounting	-	-	16,903	-	16,903
Insurance - W/C	10,598	2,689	2,531	-	15,818
Retirement contributions	7,645	1,940	1,826	-	11,411
Utilities	8,181	2,727	-	-	10,908
Advertising	3,994	1,331	-	-	5,325
Interest expense	5,000	-	-	-	5,000
Dues and subscriptions	2,171	620	310	-	3,101
Fundraising	-	-	-	2,784	2,784
Printing and publications	1,773	450	423	-	2,646
Bank charges	1,504	430	215	-	2,149
Postage	1,464	418	209	-	2,091
Repairs and maintenance	1,208	403	-	-	1,611
Employee expenses	714	204	102	-	1,020
Pest Control	607	202	-	-	809
Miscellaneous	-	-	669	-	669
Seminars and conferences	149	49	-	-	198
	<u>\$ 1,165,505</u>	<u>\$ 230,991</u>	<u>\$ 181,985</u>	<u>\$ 2,784</u>	<u>\$ 1,581,265</u>
Total	<u>\$ 1,165,505</u>	<u>\$ 230,991</u>	<u>\$ 181,985</u>	<u>\$ 2,784</u>	<u>\$ 1,581,265</u>

See accompanying notes.

The Haven, Inc.
Statement of Cash Flows
Year Ended June 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES:	
Increase in net assets	\$ 174,955
Adjustment to reconcile increase in net assets to net cash flows provided by operating activities:	
Depreciation	21,520
Increase in operating assets:	
Unconditional promises to give	(78,304)
Increase (decrease) in operating liabilities:	
Accounts payable	20,519
Accrued expenses	<u>(3,377)</u>
NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	<u>135,313</u>
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES:	
Redemption of investment	<u>65,900</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Proceeds from note payable	147,500
Principal payments of notes payable	<u>(151,403)</u>
NET CASH FLOWS USED IN FINANCING ACTIVITIES	<u>(3,903)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	197,310
BEGINNING CASH AND CASH EQUIVALENTS	<u>180,023</u>
ENDING CASH AND CASH EQUIVALENTS	<u><u>\$ 377,333</u></u>
SUPPLEMENTAL CASH FLOW INFORMATION:	
Cash paid during the year for interest	<u><u>\$ 5,000</u></u>

See accompanying notes.

The Haven, Inc.
Notes to Financial Statements
Year Ended June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. NATURE OF THE ORGANIZATION

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 interpersonal and family violence in Terrebonne and Lafourche 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.

B. BASIS OF PRESENTATION

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

C. CASH AND CASH EQUIVALENTS

For purposes of the Statement of Cash Flows, management considers highly liquid investments with an initial maturity of three months or less to be cash equivalents.

D. 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 net assets without restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

E. BAD DEBTS

The financial statements of The Haven, Inc. contain no allowance for uncollectible promises to give. Uncollectible accounts are recognized as an expense at the time information becomes available that indicates the amounts are uncollectible. While accounting principles generally accepted in the United States of America require that bad debts be recorded utilizing the allowance method, the difference between the two methods is immaterial to the Organization, as management considers all promises to give at year end to be fully collectible.

The Haven, Inc.
Notes to Financial Statements
Year Ended June 30, 2021

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

F. PROPERTY AND EQUIPMENT

Property and equipment 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 property and equipment is calculated using the straight-line method over estimated useful lives ranging from 5 to 39 years and is charged as an expense against operations. Property and equipment reported on the statement of financial position are net of accumulated depreciation.

G. NET ASSETS

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

Net assets without donor restrictions – Net assets not subject to donor-imposed stipulations.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time, and net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Generally, the donors of assets with no restriction expiration permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.

H. 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.

I. 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

The Haven, Inc.
Notes to Financial Statements
Year Ended June 30, 2021

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

J. ADVERTISING

Advertising costs are expensed as incurred. Advertising expense totaled \$5,325 for the year ended June 30, 2021.

K. RECENT PRONOUNCEMENT

In January 2016, the FASB issued ASU 2016-02, Leases (Topic 842). ASU 2016-02 requires that a lessee recognize the assets and liabilities that arise from leases classified as finance or operating. A lessee should recognize in the balance sheet a liability to make lease payments (the lease liability) and a right-to-use asset representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. In transition, lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. ASU 2016-02 is effective for financial statements issued for annual periods beginning after December 15, 2021. The Organization has not determined the impact ASU 2016-02 will have on its financial statements.

NOTE 2 – INCOME TAXES

The Haven, Inc. is a non-profit corporation organized under the laws of the State of Louisiana and 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 Organization is not involved in any trade or business unrelated to the purpose for which it received its exemption from income taxes.

NOTE 3 – CONCENTRATION OF CREDIT RISK

The Haven, Inc. maintains its cash in one financial institution located in Louisiana. The Federal Deposit Insurance Corporation (FDIC) insures accounts up to \$250,000. At times during the year, the Organization's deposits exceeded insured limits. Management does not feel it has significant credit risk related to its bank deposits.

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of promises to give due from the State of Louisiana Office of the Governor, Louisiana Commission on Law Enforcement and Administration of Criminal Justice, Terrebonne Parish Consolidated Government, United Way for South Louisiana, and IOLTA. Because these receivables are passed through support from the federal or state governments or local donors, the Organization requires no collateral for these amounts.

The Haven, Inc.
Notes to Financial Statements
Year Ended June 30, 2021

NOTE 4 – UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give consist of the following:

Corporate grants/		
United Way for South Louisiana	\$	18,128
IOLTA		9,123
		<u>\$ 27,251</u>
Governmental grants/		
Office of the Governor/Department of Social Services	\$	106,104
Louisiana Commission on Law Enforcement and Administration of Criminal Justice		83,688
Terrebonne Parish Consolidated Government		53,433
		<u>\$ 243,225</u>

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 2021 and is restricted as to the expiration of time restrictions. All other unconditional promises to give are without donor restrictions.

NOTE 5 – PROPERTY AND EQUIPMENT

A summary of changes in property and equipment follows:

	Balance July 1, 2020	Additions	Retirements	Balance June 30, 2021
Buildings	\$ 752,523	\$ -	\$ -	\$ 752,523
Furniture, fixtures, and equipment	88,026	-	-	88,026
	840,549	-	-	840,549
Less: accumulated depreciation	(294,180)	(21,520)	-	(315,700)
Total	\$ 546,369	\$ (21,520)	\$ -	\$ 524,849

The Haven, Inc.
Notes to Financial Statements
Year Ended June 30, 2021

NOTE 6 – NOTES PAYABLE

The Organization owes \$94,808 on a note payable to a bank dated March 14, 2017 with an interest rate of 5.75%, secured by real estate. Monthly principal and interest payments of \$2,225 are due, with a final payment on September 14, 2025.

As part of the CARES Act passed by Congress for purposes of economic stimulus in light of implications from the COVID-19 crisis, Payroll Protection Program loans were made available to retain employees. On February 22, 2021, the Organization made a second draw of \$147,500 from its bank under this loan program.

Maturities of long term debt are as follows:

<u>June 30,</u>	
2022	\$ 21,533
2023	170,304
2024	24,150
2025	25,576
Therafter	<u>745</u>
Total	<u>\$ 242,308</u>

The CARES Act provides for conditions under which the Organization can apply for forgiveness and, therefore, not be required to re-pay some or all of the loan proceeds. Based on information currently available regarding eligibility for loan forgiveness, management of the Organization anticipates that the entire principal amount of the loan will be forgiven.

During the year ended June 30, 2021, having met all program guidelines, the Organization's first Payroll Protection Program draw of \$129,700 was forgiven. This amount is included in "Other Income" on the Statement of Activities.

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS

The restrictions on net assets as of June 30, 2021 relate to United Way for South Louisiana funding for the remainder of calendar year 2021.

The Haven, Inc.
Notes to Financial Statements
Year Ended June 30, 2021

NOTE 8 – GOVERNMENTAL GRANTS

During the year ended June 30, 2021, the Organization recognized grant revenue from the following governmental grantors:

State of Louisiana:

Office of the Governor/Department of Social Services	\$ 384,344
Louisiana Commission on Law Enforcement and Administration of Criminal Justice	163,508
Office of Violence against Women	445,380
Terrebonne Parish Consolidated Government	<u>191,463</u>
Total governmental grants	<u>\$ 1,184,695</u>

NOTE 9 – CORPORATE GRANTS

During the year ended June 30, 2021, the Organization recognized grant revenue from the following corporate grants:

IOLTA	\$ 37,149
United Way for South Louisiana	36,251
Bayou Community Foundation	20,000
Houma-Terrebonne Community Development	10,000
Allstate Foundation	<u>2,500</u>
Total corporate grants	<u>\$ 105,900</u>

NOTE 10 – IN-KIND CONTRIBUTIONS

In-kind contributions represent the estimated fair value of general corporate goods and services provided. Contributed goods are valued at fair market value on the date of the donation. 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 that would typically need to be purchased if not provided by donation.

The Haven, Inc.
Notes to Financial Statements
Year Ended June 30, 2021

NOTE 10 – IN-KIND CONTRIBUTIONS (cont.)

The following is a summary of in-kind contributions for the year ended June 30, 2021:

	<u>Estimated Market Value</u>
Client assistance	\$ 47,958
Food and house supplies	11,263
Office supplies	<u>1,025</u>
	<u>\$ 60,246</u>

The value of donated volunteer services is not reflected in the accompanying financial statements since they do not meet the recording criteria as per FASB 116. However, a substantial number of volunteers have donated significant amounts of their time in the Organization's program, administrative, and fund-raising activities.

NOTE 11 – FAIR VALUES OF FINANCIAL INSTRUMENTS

The Haven's financial instruments, none of which are held for trading purposes, include cash and cash equivalents, unconditional promises to give, accounts payable, and notes payable. Management estimates that the fair value of all financial instruments as of June 30, 2021 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position.

NOTE 12 – RETIREMENT PLAN

The Organization maintains a SIMPLE IRA retirement plan for the benefit of its employees. Under the plan, employees are allowed to contribute up to \$13,500 of their annual salary. Employees over 50 years of age are allowed to contribute an additional \$3,000 annually. It is available to all employees who meet certain compensation criteria (at least \$5,000 in compensation during any two preceding calendar years and are reasonably expected to receive at least \$5,000 in compensation during the current year). Under the provisions of the plan, the Company matches 3% of a participating employee's annual salary. The Organization made matching contributions totaling \$11,411 for the year ended June 30, 2021.

The Haven, Inc.
Notes to Financial Statements
Year Ended June 30, 2021

NOTE 13 – LEASE COMMITMENTS

The Organization leases the office space from which it conducts its Lafourche Parish administrative functions under a month-to-month operating lease agreement. The agreement includes monthly lease payments of \$1,350. Rent expense incurred under this lease was \$16,295 for the year ended June 30, 2021.

The Organization leases the office space from which it conducts its Terrebonne Parish administrative functions under a month-to-month operating lease agreement. The agreement includes monthly payments of \$900. Rent expense incurred under this lease was \$7,200 for the year ended June 30, 2021.

NOTE 14 – UNCERTAIN INCOME TAXES

The Organization's 2019 tax returns were filed appropriately. As of December 2021, the Organization had not filed its 2020 tax return as the filing due date had been extended to May 15, 2022. The Organization recognizes interest and penalties, if any, related to unrecognized tax benefits in income tax expense. The Organization's tax filings are subject to audit by various taxing authorities. The Organization's open audit period is 2017 to 2020. Management has evaluated the Organization's tax position and concluded that the Organization has taken no uncertain tax positions that require adjustment to the financial statements to comply with provisions of this guidance.

NOTE 15 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of June 30, 2021, reduced by any amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions or internal designations.

Current Assets	\$647,809
Less those unavailable for general expenditures within one year	<u> -</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$647,809</u>

NOTE 16 – SUBSEQUENT EVENTS

Management has evaluated subsequent event through December 29, 2021, and determined that no events occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

SUPPLEMENTAL INFORMATION

The Haven, Inc.
 Schedule of Compensation, Benefits, and Other
 Payments to the Executive Director
 Year Ended June 30, 2021

Agency Head Name: Julie Pellegrin, Executive Director

Purpose	Amount
Salary	\$ 93,000
Benefits - insurance	9,070
Benefits - retirement	2,790
Deferred compensation	-
Benefits - other	-
Car allowance/automobile expense	-
Vehicle provided by government	-
Per diem	-
Reimbursements	11,522
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-

This form is used to satisfy the reporting requirements of R.S. 24:513(A)(3).

SPECIAL REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The Haven, Inc., (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 29, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered The Haven, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Haven, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control,

described in the accompanying Schedule of Findings and Responses as item 2021-001, that we consider to be a significant deficiency.

Compliance and Other Matters

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 grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Haven's Response to Finding

The Haven, Inc.'s response to the finding identified in our audit is described in the accompanying schedule of findings and responses. Such response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Houma, Louisiana
December 29, 2021

OTHER INFORMATION

The Haven, Inc.
Schedule of Findings and Responses
Year Ended June 30, 2021

Section I – Summary of Auditor’s Results

1. The auditor’s report expresses an unmodified opinion on the financial statements of The Haven, Inc.
2. One significant internal control deficiency (see finding 2021-001) was noted during the audit of the financial statements. This significant control deficiency was not considered to be a material weakness.
3. No instances of noncompliance or other matters required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.
4. No instances of noncompliance under the provisions of the Louisiana Governmental Audit Guide were noted during the audit of the financial statements.
5. A management letter was not issued.

Section II – Financial Statement Findings

2021-001

Statement of Condition: A significant deficiency in the Organization’s internal control.

Criteria: In our consideration of internal control, we noted that the size of The Haven, Inc.’s operations and its limited accounting staff preclude an adequate segregation of duties and other features of an adequate system of internal control.

Effects of Condition: The internal control, in our judgment, could adversely affect the entity’s ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Cause of Condition: The size of The Haven, Inc. 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 it is cost beneficial to hire additional staff.

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

Questioned Costs: \$ -0-

The Haven, Inc.
Schedule of Findings and Responses
Year Ended June 30, 2021

Section III – Federal Award Findings and Questioned Costs

This section is not applicable.

The Haven, Inc.
Management's Corrective Action
Plan for Current Year Findings
Year Ended June 30, 2021

The contact person for all corrective actions noted below is Mrs. Julie Pellegrin, Executive Director.

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

Inadequate Internal Control

Condition: A significant control deficiency in internal control related to lack of segregation of duties.

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 it is cost beneficial to hire additional staff.

Planned Action: The Board of Directors will closely monitor the day-to-day activities of the Organization until it is cost beneficial to employ additional staff.

Section II – Internal Control and Compliance Material to Federal Awards

This section is not applicable.

Section III – Management Letter

This section is not applicable.

The Haven, Inc.
Schedule of Prior Findings and Resolution Matters
Year Ended June 30, 2021

Note: All prior findings relate to the June 30, 2020 audit engagement.

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

Inadequate Internal Control

Condition: A significant control deficiency in internal control related to lack of segregation of duties.

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 controls.

Status: Ongoing. The Organization has implemented the recommendation, but the lack of segregation of duties continues to exist. The Board will continue to perform the recommendation until it is cost beneficial to employ additional staff.

Section II – Internal Control and Compliance Material to Federal Awards

This section is not applicable.

Section III – Management Letter

This section is not applicable.