

SOUTHEAST SPOUSE ABUSE PROGRAM**Annual Financial Statements**

As of and for the Year Ended June 30, 2005

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 12-28-05

Anthony B Baglio, CPA
A Professional Accounting Corporation
Hammond, Louisiana

**Southeast Spouse Abuse Program
Annual Financial Statements
As of and for the Year Ended June 30, 2005**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of the Southeast Spouse Abuse Program
Hammond, Louisiana

I have audited the accompanying statement of financial position of the Southeast Spouse Abuse Program (a nonprofit organization) as of June 30, 2005, and the related statement of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my 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 I 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. I believe that my audit provides a reasonable basis for my opinion.

In my 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, 2005, and the changes in the net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated December 07, 2005, on my consideration of the Southeast Spouse Abuse Program's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, grants agreements and other matters. The purpose of that report is to describe the scope of my 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* and should be considered in assessing the results of my audit.

My audit was performed for the purpose of forming an opinion on the basic financial statements of the Southeast Spouse Abuse Program taken as a whole. The supplemental information schedules listed on pages 15 and 16 are presented for the purpose of additional analysis and are not a required part of the financial statements of the Southeast Spouse Abuse Program, Hammond, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.



Anthony B. Baglio, CPA, APAC
Hammond, Louisiana
December 07, 2005

**Southeast Spouse Abuse Program
Statement of Financial Position
June 30, 2005**

Assets

Current Assets:

Cash	\$	47,519
Receivable - LA State General Fund		35,944
Receivable - LA Marriage License		8,905
Receivable - Family Violence Prevention		15,250
Receivable - Crime Victims Assistance		8,152
Receivable - Violence Against Women Act		4,125
Receivable - Housing and Urban Development		17,719
Receivable - Housing and Urban Development		5,458
Receivable - Emergency Shelter Grant Program		2,558
Unconditional Promises to Give:		
Tangipahoa Area United Way funding for the next fiscal year		19,000
Bogalusa Area United Way funding for the next fiscal year		2,250
Prepaid Expenses		7,126
Total Current Assets		174,006

Fixed Assets:

Computers, Software and Printers		43,029
Furniture & Fixtures		10,427
Office Equipment		48,172
Library		433
Leasehold Improvements		16,762
Less: Accumulated Depreciation		(91,350)
Total Fixed Assets		27,473
Total Assets	\$	201,479

Liabilities and Net Assets

Current Liabilities:

Accrued Salary Payable	\$	10,496
Accrued Vacation Payable		7,516
Accrued Payroll Liabilities		1,183
Total Current Liabilities		19,195

Net Assets:

Unrestricted Net Assets		161,034
Temporarily Restricted Net Assets		21,250
Total Net Assets		182,284
Total Liabilities & Net Assets	\$	201,479

The accompanying notes are an integral part of this statement.

**Southeast Spouse Abuse Program
Statement of Activities
For the Year Ended June 30, 2005**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals</u>
Public Support & Revenue			
Office of Women's Policy:			
State General Fund	\$ -	\$ 143,598	\$ 143,598
Family Violence Prevention Fund	-	79,002	79,002
Louisiana Marriage License Fund	-	24,869	24,869
Temporary Assistance to Needy Families	-	9,514	9,514
Louisiana Commission On Law Enforcement:			
Crime Victims Assistance	-	67,361	67,361
Stop Violence Against Women Act	-	18,331	18,331
Louisiana Coalition Against Domestic Violence:			
Rural Project Assistance Program - St. Helena	-	9,123	9,123
Rural Project Assistance Program - Tangipahoa	-	6,035	6,035
Rural Project Assistance Program - Washington	-	1,601	1,601
Rural Project Assistance Program - Livingston	-	1,972	1,972
Temporary Assistance to Needy Families - St. Helena	-	1,621	1,621
Children's Services - St. Helena	-	4,963	4,963
Children's Services - Washington	-	9,593	9,593
Interest On Lawyers Trust Account (IOLTA)	-	11,489	11,489
United Way Funds:			
Tangipahoa Area United Way	-	19,000	19,000
Bogalusa Area United Way	-	4,500	4,500
City Of Hammond:			
Emergency Shelter Grant Program	-	11,189	11,189
Housing and Urban Development:			
Transitional Housing	-	132,914	132,914
Extended Housing	-	56,685	56,685
Donations	4,328	-	4,328
Fund Raising	3,542	-	3,542
Interest Income	192	-	192
In-Kind Donations	15,477	-	15,477
Net Assets Released from Restrictions:			
Satisfaction of Program Restrictions	591,310	(591,310)	-
Satisfaction of Time Restrictions	21,600	(21,600)	-
Total Public Support & Revenue	<u>636,449</u>	<u>450</u>	<u>636,899</u>

(Continued)

The accompanying notes are an integral part of this statement.

**Southeast Spouse Abuse Program
Statement of Activities
For the Year Ended June 30, 2005**

Expenses	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals</u>
Payroll -			
Salaries & Wages	\$ 289,832	\$ -	\$ 289,832
Payroll Taxes	21,959	-	21,959
Total Payroll Expense	<u>311,791</u>	-	<u>311,791</u>
Advertising	464	-	464
Apartment Rent	101,648	-	101,648
Apartment Utilities	16,412	-	16,412
Bank Charges	292	-	292
Client Emergency Expense	20,768	-	20,768
Contract Services	10,572	-	10,572
Depreciation	14,137	-	14,137
Disability Insurance	3,793	-	3,793
Director's & Officers Liability Insurance	2,193	-	2,193
Dues & Subscriptions	3,610	-	3,610
Employee Travel	14,906	-	14,906
Fund Raising	764	-	764
Health Insurance	14,967	-	14,967
In-Kind	15,477	-	15,477
Janitorial	1,500	-	1,500
Liability Insurance	12,315	-	12,315
Maintenance	4,453	-	4,453
Miscellaneous	1,945	-	1,945
Office Rent	19,350	-	19,350
Personal Client Items	1,291	-	1,291
Postage	1,253	-	1,253
Printing	53	-	53
Professional Services	10,222	-	10,222
Program Travel	4,352	-	4,352
Supplies	22,789	-	22,789
Telephone	14,344	-	14,344
Training	3,677	-	3,677
Unemployment	1,689	-	1,689
Utilities	1,428	-	1,428
Volunteer Expense	1,000	-	1,000
Worker's Compensation	5,466	-	5,466
Total Expenses	<u>638,921</u>	-	<u>638,921</u>
Change in Net Assets	(2,472)	450	(2,022)
Net Assets at Beginning of Year	<u>163,506</u>	<u>20,800</u>	<u>184,306</u>
Net Assets at End of Year	<u>\$ 161,034</u>	<u>\$ 21,250</u>	<u>\$ 182,284</u>

(Concluded)

The accompanying notes are an integral part of this statement.

**Southeast Spouse Abuse Program
Statement of Functional Expenses
For the Year Ended June 30, 2005**

Expenses	<u>Supporting Services</u>	<u>Program Services</u>	<u>Total</u>
	<u>General and Admin</u>	<u>Spouse Abuse Services</u>	
Payroll -			
Salaries & Wages	\$ 77,150	\$ 212,682	\$ 289,832
Payroll Taxes	5,845	16,114	21,959
Total Payroll Expense	<u>82,995</u>	<u>228,796</u>	<u>311,791</u>
Advertising	94	370	464
Apartment Rent	-	101,648	101,648
Apartment Utilities	-	16,412	16,412
Bank Charges	59	233	292
Client Emergency	-	20,768	20,768
Contract Services	5,367	5,205	10,572
Depreciation	2,855	11,282	14,137
Disability Insurance	1,010	2,783	3,793
Director's & Officers Liability Insurance	443	1,750	2,193
Dues & Subscriptions	729	2,881	3,610
Employee Travel	-	14,906	14,906
Fund Raising	764	-	764
Health Insurance	3,984	10,983	14,967
In-Kind Expenses	-	15,477	15,477
Janitorial	161	1,339	1,500
Liability Insurance	2,487	9,828	12,315
Maintenance	899	3,554	4,453
Miscellaneous	393	1,552	1,945
Office Rent	1,819	17,531	19,350
Personal Client Items	-	1,291	1,291
Postage	253	1,000	1,253
Printing	11	42	53
Professional Services	10,222	-	10,222
Program Travel	-	4,352	4,352
Supplies	4,603	18,186	22,789
Telephone	2,897	11,447	14,344
Training	743	2,934	3,677
Unemployment	450	1,240	1,690
Utilities	153	1,274	1,427
Volunteer Expense	202	798	1,000
Worker's Compensation	1,454	4,012	5,466
Total Expenses	<u>\$ 125,047</u>	<u>\$ 513,874</u>	<u>\$ 638,921</u>

The accompanying notes are an integral part of this statement.

**Southeast Spouse Abuse Program
Statement of Cash Flows
June 30, 2005**

Cash Flows From Operating Activities	
Change in Net Assets	\$ (2,022)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	14,137
Change in Accounts Receivable	(13,828)
Change in Prepaid Expense	(140)
Change in Accrued Salary Payable	1,524
Change in Accrued Vacation Payable	1,324
Change in Accrued Payroll Liabilities	(164)
Net Cash Provided by Operating Activities	<u>831</u>
 Cash Flows From Capital and Related Financing Activities	
Purchase of Equipment	<u>(6,727)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(6,727)</u>
 Net Decrease in Cash	 (5,896)
Cash, Beginning of Year	<u>53,415</u>
Cash, End of Year	<u><u>\$ 47,519</u></u>

The accompanying notes are an integral part of this statement.

**Southeast Spouse Abuse Program
Notes to the Financial Statements
As of and for the Year Ended June 30, 2005**

1. Summary of Significant Accounting Policies

A. Nature of the Organization

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

- 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.
- Information on the alternatives available to abused spouses, including information on shelter, public benefits, legal and criminal justice systems.
- Assistance to victims of family violence in establishing lives free from violence through help in searching for employment, housing and child care.
- 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.

B. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

C. 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.

D. Cash and Cash Equivalents

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

E. Concentrations

The Program's primary source of revenue is through grants awarded by the Office of Women's Policy, Louisiana Commission on Law Enforcement and Housing and Urban Development. For the fiscal year ended June 30, 2005, \$256,983, or 40% of the Program's total gross revenue was from grants awarded by the Office of Women's Policy, \$85,692, or 13% of the Program's total gross revenue was from grants awarded by the Louisiana Commission on Law Enforcement, \$189,599 or 29% of the Program's total gross revenue was from grants awarded by Housing and Urban Development and \$34,908 or 5% of the Program's total gross revenue was from grants from Louisiana Coalition Against Domestic Violence (LCADV). The funding cycle for LCADV grants ended during fiscal year 2005.

Southeast Spouse Abuse Program
Notes to the Financial Statements
As of and for the Year Ended June 30, 2005

F. Support and Revenue

Southeast Spouse Abuse Program receives grant and contract support primarily from the Office of Women's Policy, Louisiana Commission on Law Enforcement, Housing and Urban Development, Tangipahoa Area United Way, United Way of Bogalusa, Louisiana Bar Foundation, Louisiana Coalition Against Domestic Violence, and the City of Hammond.

G. 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 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.

H. 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.

I. Property and Equipment

Property and equipment are recorded at cost as of the date of acquisition or fair value as of the date of donation. Depreciation is computed on a straight-line basis over estimated useful lives of the equipment (5 to 7 years) and the furniture and fixtures (5 to 7 years).

J. Estimates

The preparation of financial statements in conformance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

K. Donated Services

Contributions of donated non-cash assets are recorded at their fair market values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

**Southeast Spouse Abuse Program
Notes to the Financial Statements
As of and for the Year Ended June 30, 2005**

L. Income Tax Status

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.

2. Receivables

Receivables at June 30, 2005 were as follows:

	Temporarily Restricted
Office of Women's Policy	\$ 60,099
Louisiana Commission On Law Enforcement	12,277
Housing and Urban Development	23,177
City of Hammond	2,558
	\$ 98,111

The receivable is deemed to be fully collectible by management. Thus, no allowance for uncollectible amounts is necessary at year end.

3. Unconditional Promises To Give

At June 30, 2005, Unconditional Promises to Give consisted of the following:

Tangipahoa Area United Way Fiscal Year 2005-2006	\$ 19,000
Bogalusa Area United Way Fiscal Year 2005-2006	2,250
	\$ 21,250

All of the above unconditional promises to give are receivable in one year or less. The receivable is deemed to be fully collectible by management. Thus, no allowance for uncollectible amounts is necessary at year end.

4. Fixed Assets

Fixed assets at June 30, 2005, are summarized as follows by major classification:

Computers, Software & Printers	\$ 43,029
Furniture and Fixtures	10,427
Office Equipment	48,172
Library	433
Leasehold Improvements	16,762
Subtotal	118,823
Less: Accumulated Depreciation	91,350
Fixed Assets, Net	\$ 27,473

Depreciation expense of \$14,137 was recorded at June 30, 2005. A significant portion of the above fixed assets was acquired with restricted assets and title to this property and equipment may revert to the State of Louisiana should the Program cease operations.

Southeast Spouse Abuse Program
Notes to the Financial Statements
As of and for the Year Ended June 30, 2005

5. 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. At June 30, 2005, accrued vacation payable is \$7,516.

6. Donated Services

During the fiscal year ended June 30, 2005, volunteer workers donated 479.50 hours of their time to the Program. The value of this contributed time is not reflected in the accompanying financial statements because no objective basis is available to measure its value.

Miscellaneous supplies with an estimated fair value totaling \$15,477 were donated to the Program by various individuals and organizations.

7. 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.

8. Leases

A. Operating Lease

Southeast Spouse Abuse Program leases office space from the Y.W.C.A. in Bogalusa on a month to month basis for \$200 per month. At June 30, 2005, the amount charged to rent expense under this lease was \$2,400.

B. Capital Lease

On January 23, 2004, the Southeast Spouse Abuse Program entered a three-year lease-purchase for its office facility. The leased premise specifically consists of 4,000 square feet and is located on Highway 51. The term of the lease is for three years commencing on the first day of February 2004 and terminating on the thirty-first day of January 2007 and requires a monthly lease payment of \$1,375. Southeast Spouse Abuse Program has the option to purchase the property at anytime during the lease period at a cost of \$90,000. At June 30, 2005, the amount charged to rent expense under this lease was \$16,500. On October 19, 2005, Southeast Spouse Abuse Program exercised their option to purchase the facility at a cost of \$80,000.

9. Related Party

One of Southeast Spouse Abuse Program's board members is the Administrative Director of Southeast Louisiana Legal Services (SLLS). The Program's bylaws reserve a permanent position on its board to SLLS as the founding agency of Southeast Spouse Abuse Program. The organizations operate autonomously of each other and do not have a common control. The Program previously received funds from SLLS from a grant they received from the Department of Justice to provide legal services to survivors of domestic violence. These funds were awarded to SLLS on a mandate that they work with a local domestic violence program for screening and referral of survivors of domestic violence to SLLS. During the fiscal year ending June 30, 2005, the Program did not receive funding from SLLS.

**Southeast Spouse Abuse Program
Notes to the Financial Statements
As of and for the Year Ended June 30, 2005**

10. Donation of Property

During the fiscal year ending June 30, 2003, Southeast Spouse Abuse Program received a donation of a house and property located in Franklinton, Louisiana. The Program will take physical possession of the property at the death of the donor. Southeast Spouse Abuse Program agreed to purchase property and liability insurance and pay the court cost but will not be responsible for repairs until they have taken physical possession of the property. At June 30, 2005, no amount has been recorded as revenue from this donation.

SUPPLEMENTAL INFORMATION

**Southeast Spouse Abuse Program
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2005**

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, 2005**

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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**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
of the Southeast Spouse Abuse Program
Hammond, Louisiana

I have audited the financial statements of the Southeast Spouse Abuse Program (a nonprofit organization) as of and for the year ended June 30, 2005, and have issued my report thereon dated December 07, 2005. I conducted my 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.


Internal Control Over Financial Reporting

In planning and performing my audit, I considered Southeast Spouse Abuse Program's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Southeast Spouse Abuse Program's financial statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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


Anthony B. Baglio, CPA, APAC
Hammond, Louisiana
December 07, 2005