

Safe Haven Development Services, Inc.
Annual Financial Statements Review Report
For the Year Ended
December 31, 2011

Talmadge E. Mitchel
Certified Public Accountant
A Professional Corporation
1240 Milam Street, Shreveport, LA 71101

Contents

INDEPENDENT ACCOUNTANT’S REVIEW REPORT.....	1
Statement of Financial Position	2
Statement of Activity	3
Statement of Cash Flows	4
Statement of Functional Expenses.....	5
Notes to Financial Statements	7
Independent Accountant’s Report On Applying Agreed-Upon Procedures	10
Schedule of Current Years Findings and Questioned Costs	164
Louisiana Attestation Questionnaire.....	15

**Talmadge E. Mitchel
Certified Public Accountant
A Professional Corporation**

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
Safe Haven Development Services, Inc.
Shreveport, Louisiana

I have reviewed the accompanying statement of financial position of Safe Haven Development Services, Inc. (a nonprofit organization) as of December 31, 2011, and the related statements of activities and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require me to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. I believe that the results of my procedures provide a reasonable basis for my report.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, I have issued a report dated October 26, 2012, on the results of my agreed upon procedures.



Talmadge E. Mitchel
Certified Public Accountant
A Professional Corporation
October 26, 2012

Safe Haven Development Services, Inc.

Statement of Financial Position

As of December 31, 2011

ASSETS

Cash	<u>\$7,349.00</u>
TOTAL ASSETS	<u>7,349.00</u>

NET ASSETS

Unrestricted Net Assets	7,349.00
TOTAL LIABILITIES AND NET ASSETS	<u>\$7,349.00</u>

The accompanying notes are an integral part of the financial statements

Safe Haven Development Services, Inc.

**Statement of Activity
December 31, 2011**

Revenues, Contributions, and Support	Unrestricted
Contributions	\$ 1,403.00
Program Revenues – 21 St Century Learning Center	75,270.00
Program Revenues – Summer Food Services Program	333,935.00
Total Revenues, Contributions, and Support	<u>410,608.00</u>
Expenses	
Support Services	470.00
Program Expenses	405,418.00
Total Expenses	<u>405,888.00</u>
Increase in Net Assets	4,720.00
Net Assets December 31, 2010	2,629.00
Net Assets December 31, 2011	<u>\$ 7,349.00</u>

The accompanying notes are an integral part of the financial statements

Safe Haven Development Services, Inc.

Statement of Cash Flows

For the Year Ended

December 31, 2011

OPERATING ACTIVITIES

Change in net assets	\$ 4,720.00
Adjustments to reconcile Net Income to Net Cash provided by operations:	-
Net cash provided by operating activities	<u>4,720.00</u>
Net cash increase for period	<u>4,720.00</u>
Cash at beginning of period	2,629.00
Cash at end of period	<u><u>\$ 7,349.00</u></u>

The accompanying notes are an integral part of the financial statements

Safe Haven Development Services, Inc.

**Functional Expenses
December 31, 2011**

<u>Expense</u>	<u>21st Century Program</u>	<u>Summer Feed Program</u>	<u>Safe Haven Developmental</u>	<u>TOTAL</u>
<u>Business Expenses</u>				
Administrative Business Expense	0.00		250.00	6,988.00
Bank Charges	0.00	25.00	70.00	95.00
Total Business Expenses	0.00	25.00	320.00	345.00
<u>Contract Services</u>				
Contractor Services	62,950.00	188,395.00	0.00	251,345.00
Total Contract Services	62,950.00	188,395.00	0.00	251,345.00
<u>Facilities and Equipment</u>				
Equipment Rental and Maintenance	1,195.00	5,715.00	0.00	6,910.00
Repairs and Maintenance	116.00	1,251.00	0.00	1,367.00
Rental and Space Costs	1,294.00	28,477.00	0.00	29,771.00
Office Equipment		4,603.00	0.00	4,603.00
Total Facilities and Equipment	2,605.00	40,046.00	0.00	42,651.00
<u>Operations</u>				
				0.00
Books, Subscriptions, Reference	381.00	0.00	0.00	381.00
Printing and Copying	0.00	600.00	0.00	600.00
Supplies	1,621.00	7,998.00	0.00	9,619.00
Telephone, Telecommunications	1,276.00	384.00	0.00	1,660.00
Food Purchase	515.00	86,557.00	0.00	87,072.00
Total Operations	3,793.00	95,539.00	0.00	99,332.00

The accompanying notes are an integral part of the financial statements

Safe Haven Development Services, Inc.

Functional Expense continued,

	21st Century Program	Summer Food Service Program	Safe Haven Developmental	TOTAL
<u>Expense</u>				
<u>Other Types of Expenses</u>				
Advertising Expenses	0.00	3,495.00	0.00	3,495.00
Insurance	0.00	3,137.00	0.00	3,137.00
Charity Contribution	0.00	0.00	150.00	150.00
Total Other Types of Expenses	0.00	6,632.00	150.00	6,782.00
<u>Travel, Training and Meetings</u>				
Transportation	2,061.00	2,450.00	0.00	4,511.00
Mileage Allowance	0.00	422.00	0.00	422.00
Training	0.00	500.00	0.00	500.00
Total Travel, Training and Meetings	2,061.00	3,372.00	0.00	5,433.00
Total Expense	\$ 71,409.00	\$ 334,009.00	\$ 470.00	\$ 405,888.00

The accompanying notes are an integral part of the financial statements

Safe Haven Development Services, Inc.

Notes to Financial Statements

December 31, 2011

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Safe Haven Development Services, Inc. is a nonprofit corporation organized under the laws of the State of Louisiana. The Organization provides healthy meals to children through the Summer Food Service Program which is administered by the State of Louisiana on behalf of the United States Department of Agriculture. The Organization serves children in Shreveport, LA.

Basis of Accounting

The financial statements of Safe Haven Development Services, Inc. have been prepared on the accrual basis of accounting in accordance with accounting principles general accepted in the United States of America.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board ASC 958 (formerly SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. The Organization has elected to present a classified statement of financial position, under ASC 958; 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.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents, as stated for cash flow purposes, consist of non-interest bearing bank accounts and highly liquid investments which are readily convertible into cash within ninety (30) days of purchase.

Safe Haven Development Services, Inc.

Net Assets

Net assets are included in one of the following three classes of net assets, depending on the presence and type of donor-imposed restrictions.

- *Unrestricted Net Assets* – Net assets not subject to donor-imposed restrictions.
- *Temporarily-restricted Net Assets* – Net assets subject to donor-imposed restrictions that may be met either by an action and/or through the passage of time. As of December 31, 2011, Net assets included no temporarily restricted net assets.
- *Permanently-restricted Net Assets* – Net assets subject to donor-imposed restrictions that will not expire through the passage of time and/or an action. As of December 31, 2011, Net Assets included no permanently restricted net assets.

Economic Dependency

Approximately 99% of the Agency's funding is federal funds passed-through the State of Louisiana's Department of Education.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, program and support service expenses are specifically identified with or allocated to the Agency's various functions.

Income Tax Status

The Agency is exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code. In addition, the Agency qualifies for the charitable contribution deduction under Section 170(b) (1) (A) and has been classified as an organization other than a private foundation under Section 509 (a) (2).

NOTE 2. SUMMARY OF FUNDING

Safe Haven Development Services, Inc. administered the following federal pass-through grants for 2011:

Louisiana Department of Education USDA Summer Food Service Program	\$418,423.00
Louisiana Department of Education Twenty-First Century Learning Center	75,000.00

Safe Haven Development Services, Inc.

NOTE 3. OPERATING LEASES

Safe Haven Development Services, Inc. entered into a commercial lease for its office space located at 701 Talton St Minden, Louisiana for a term of sixteen (16) months beginning September 1, 2011. Rent for this lease is \$1,000 monthly, payable on the first of the month. There are no options to renew the lease. The organization prepaid the lease expense for a period of fifteen (15) months.

The organization also had short-term rent payments for occupancy of the programs administered by the organization during the year. Total rents allocated and paid for the year was \$10,100.00

NOTE 4. COMMITMENTS

The programs administered by the Safe Haven Development Services, Inc. do not have any significant outstanding commitments as of December 31, 2011.

NOTE 5. CONTINGENCIES

As of December 31, 2011, there were no matters relating to existing or possible litigation. The Organization was required to repay costs disallowed costs in the amount of \$10,382 in relationship to the 21st Century Learning Centers, which was determined from an examination by the Louisiana Department of Education. Subsequent to the balance sheet date, the Organization paid the disallowed cost and the matter was considered closed.

NOTE 6. SUBSEQUENT EVENTS

Events subsequent to December 31, 2011, through the date of this attestation report have been evaluated. There were no other matters requiring disclosure.

**Talmadge E. Mitchel
Certified Public Accountant
A Professional Corporation**

**Independent Accountant's Report
On Applying Agreed-Upon Procedures**

Safe Haven Development Services, Inc.
Shreveport, Louisiana 71108

I have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of Safe Haven Development Services, Inc., the Legislative Auditor, State of Louisiana, and applicable state grantor agency/agencies solely to assist the users in evaluating management's assertions about Safe Haven Development Services, Inc.'s compliance with certain laws and regulations during the year ended December 31, 2011 included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Federal, State, and Local Awards

1. Determine the amount of Federal, state and local award expenditures for the fiscal year, by grant and grant year.

Safe Haven Development Services, Inc.'s Federal award expenditures for all Federal programs for the fiscal year follow:

Federal Grant Name	Grant Year	CFDA No.	Amount
USDA Summer Food Service Program for Children, <i>pass through</i> , State of Louisiana	2011	10.559	\$333,935.00

Federal Grant Name	Grant Year	CFDA No.	Amount
U.S Department of Education, <i>pass through</i> , State of Louisiana, Twenty-First Century Learning Centers	2011	84.28	75,270.00
Total Expenditures			\$409,205.00

2. For each Federal, state, and local award, I randomly selected 6 disbursements from each administered during the period under examination, provided that no more than 30 disbursements would be selected.
3. For the items selected in procedure 2, I traced the twelve disbursements to supporting documentation as to proper amount and payee.
4. For the items selected in procedure 2, I determined if the twelve disbursements were properly coded to the correct fund and general ledger account.

Each of the twelve payments was properly coded to the correct general ledger account.

5. For the items listed selected in procedure 2, I determined whether the twelve disbursements received approval from proper authorities.

Inspection of documentation supporting each of the twelve selected disbursements indicated proper approval.

6. For the items selected in procedure 2: For federal awards, I determined whether the disbursements complied with the applicable specific program compliance requirements summarized in the compliance supplement (or contained in the grant agreement, if the program is not included in the Compliance Supplement) and for state and local awards, I determined whether the disbursements complied with the grant agreement, relating to:

Activities allowed are unallowed:

I reviewed the previously listed disbursements for types of services allowed or not allowed and determined that each payment did comply with allowability requirements.

Eligibility

I reviewed the previously listed disbursements for eligibility requirements and determined that each payment did comply with eligibility requirements.

Reporting

I reviewed the previously listed disbursements for reporting requirements and determined that each payment did comply with reporting requirements.

7. For the programs selected for testing in item (2), there are no required close-out reports.

Meetings

8. I examined evidence indicating that agendas for meetings recorded in the minute book were posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Management asserts that it has complied with all requirements of the public meeting laws.

Comprehensive Budget

9. For all grants exceeding five thousand dollars, I determined that each applicable federal, state, or local grantor agency/agency was provided with a comprehensive budget of those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

Safe Haven Development Services, Inc. provided comprehensive budgets to the applicable state grantor agencies for the programs mentioned previously. These budgets specified the anticipated uses of the funds, estimates of the duration of the projects, and plans showing specific goals and objectives that included measures of performance.

Prior Comments and Recommendations

10. There is no prior review/attestation and thus, no prior comments and recommendations available for review.

I was not engaged to, and did not; perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of Safe Haven Development Services, Inc., the Legislative Auditor (State of Louisiana), and the applicable state grantor

agency/agencies and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor.

A handwritten signature in black ink, appearing to read 'T. Mitchel', with a long horizontal flourish extending to the right.

Talmadge E. Mitchel
Certified Public Accountant
A Professional Corporation
October 26, 2012

Schedule of Current Years Findings and Questioned Costs

11-01

Criteria or Specific Requirement: Under Louisiana Stature 24:513, Safe Haven Development Services, Inc. is required to submit a review of its annual financial statements and attestation on applying agreed-upon procedures to the Louisiana Legislative Auditor within six months of its year-end or June 30, 2012.

Type of Finding: Noncompliance.

Condition: The review/attestation was not submitted by June 30, 2012.

Effect: Noncompliance with state law regarding financial reporting.

Cause: Although the Organization engaged the CPA in a timely manner, the CPA encountered personal problems which prevented the report from being submitted in a timely manner.

Recommendation: The Organization should ensure that the CPA engaged will perform the services within the time allowed. If it is discovered that the compliance requirement will not be met, the Organization should inform the Legislative Auditor of the reasons that the report(s) will not meet the required deadlines and what actions are to be taken to ensure that the compliance requirements are met.

Views of Responsible Officials and Planned Corrective Actions:

A) Name of Contact Responsible – Teressia Garner, Project Director

B) Corrective Action Planned – Safe Haven Development Services, Inc. will inform the Legislative Auditor of the delay in meeting submission requirements and the reasons that the reports are delayed and the corrective action to be taken.

Louisiana Attestation Questionnaire

Safe Haven Development Services, Inc.
1511 Oakdale St
Shreveport, LA 71108

September 13, 2012

Talmadge E. Mitchel
Certified Public Accountant
A Professional Corporation
1240 Milam St
Shreveport, LA 71101

In connection with your review of our financial statements as of December 31, 2011 and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, I make the following representations to you. I accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. I have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to me as of September 13, 2012

Federal, State, and Local Awards

We have detailed for you the amount of federal, state and local award expenditures for the fiscal year, by grant and grant year.

Yes No

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and grantor officials.

Yes No

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes No

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes No

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:1 through 42:13 (the open meetings law).

Yes No

Budget

For each federal, state, and local grant I have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes No

Prior Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the federal, state, and local grants, to include the applicable laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We will also disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

<u>9-13-12</u> Date	Secretary <u>Andreka Tanner</u>
<u>9-13-12</u> Date	Treasurer <u>Justin Williams</u>
<u>9-13-12</u> Date	President <u>Sharon Walters</u>