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ST. BERNARD BATTERED WOMEN'S PROGRAM, INC.
REPORT OF THE AUDIT OF THE FINANCIAL STATEMENTS
FOR THE FISCAL 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 8-16-06

**ST. BERNARD BATTERED WOMEN'S PROGRAM, INC.
REPORT OF THE AUDIT OF THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
St. Bernard Battered Women's Program, Inc.
Chalmette, LA 70043

I have audited the accompanying statement of financial position of St. Bernard Battered Women's Program, Inc., (a nonprofit organization), as of June 30, 2005, and the related statements of activities, functional expenses and cash flows for the fiscal year then ended. These financial statements are the responsibility of St. Bernard Battered Women's Program, Inc.'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 of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. 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 St. Bernard Battered Women's Program, Inc. as of June 30, 2005, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

My audit was performed for the purpose of forming an opinion on the basic financial statements of St. Bernard Battered Women's Program, Inc. The accompanying supplementary information is presented for pur-

poses of additional analysis and is not a required part of the basic financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, I have also issued my report dated June 9, 2006 on my consideration of St. Bernard Battered Women's Program, Inc.'s internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be read in conjunction with this report in considering the results of my audit.

Delphine A. Cuppay, CPA

Delphine A. Cuppay, CPA
Slidell, Louisiana

June 9, 2006

ST. BERNARD BATTERED WOMEN'S PROGRAM, INC.
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2005

ASSETS	
<u>Current Assets:</u>	
Cash and cash equivalents	\$ 134,213
Accounts receivable grants and contracts (Note 3)	59,906
Employee loans and advances	52
Unconditional promises to give (Note 4)	2,479
Prepaid expenses (Note 5)	3,108
Total current assets	199,758
 <u>Fixed Assets:</u> (Note 6)	
Furniture and equipment (Net of accumulated depreciation of \$103,322)	20,884
Leasehold improvements (Net of accumulated amortization of \$2,765)	0
Total fixed assets, net	20,884
TOTAL ASSETS	\$ 220,642
LIABILITIES AND NET ASSETS	
<u>Current Liabilities:</u>	
Payroll taxes payable	2,685
Total current liabilities	2,685
 <u>Net Assets:</u>	
Unrestricted net assets/Undesignated net assets	194,594
Temporarily restricted net assets (Note 7)	23,363
Total net assets	217,957
TOTAL LIABILITES AND NET ASSETS	\$ 220,642

The accompanying notes are an integral part of the financial statements

**ST. BERNARD BATTERED WOMEN'S PROGRAM, INC.
STATEMENT OF ACTIVITIES
AS OF JUNE 30, 2005**

UNRESTRICTED NET ASSETS:	
Revenue and support:	
Grants and contracts	\$ 210,901
Contributions	4,335
Donated facilities	42,000
Fundraisers & special events	174,167
Net assets released from restrictions	158,602
	590,005
EXPENSES:	
Program services	399,400
Supporting services:	
Management and general	29,609
Grant expenses	0
Fundraising expenses	124,799
	553,808
Total expenses	553,808
	36,197
INCREASE IN UNRESTRICTED NET ASSETS	
TEMPORARILY RESTRICTED NET ASSETS:	
State Grants - funding for current year	138,374
Other grants and contracts for the current year	18,881
Interest income	439
Net assets released from restrictions	(158,602)
	(908)
DECREASE IN TEMPORARILY RESTRICTED NET ASSETS	
	35,289
INCREASE IN NET ASSETS	
NET ASSETS AT BEGINNING OF YEAR	188,831
Prior period adjustment (Note 8)	(6,163)
	182,668
ADJUSTED NET ASSETS AT BEGINNING OF YEAR	
	182,668
NET ASSETS AT END OF YEAR	\$ 217,957
	=====

The accompanying notes are an integral part of the financial statements

ST. BERNARD BATTERED WOMEN'S PROGRAM, INC.
STATEMENT OF CASH FLOWS
AS OF JUNE 30, 2005

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase in net assets	\$ 35,289
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:	
Depreciation expense of furniture and equipment	8,634
(Increase) Decrease in operating assets:	
Accounts receivable grants and contracts	(68)
Employee loans and advances	(52)
Unconditional promises to give	(2,479)
Prepaid expenses	(1,860)
Increase (Decrease) in operating liabilities:	
Accounts payable	(1,591)
Payroll taxes payable	2,685
NET CASH PROVIDED BY OPERATING ACTIVITIES	40,558
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of furniture and equipment	(5,247)
NET CASH PROVIDED BY INVESTING ACTIVITIES	(5,247)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 35,311
BEGINNING CASH AND CASH EQUIVALENTS	98,902
NET CASH AND CASH EQUIVALENTS	\$ 134,213 =====

The accompanying notes are an integral part of the financial statements

**ST. BERNARD BATTERED WOMEN'S PROGRAM, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

	Program Services	Managmt. & General	Grant Expense	Fund-Raising	Total
Compensation and related expenses:					
Compensation:					
Executive Director	\$ 28,275	9,425			\$ 37,700
Administrative Asst.	20,585	5,146			25,731
Part-time Clerk	0	4,138			4,138
Residential Coordinator	22,880				22,880
Outreach Coordinator	19,929				19,929
Children's Advocates	9,220				9,220
Residential Advocates	55,742				55,742
Res. Relief Advocates	<u>50,309</u>				<u>50,309</u>
Total Compensation	206,940	<u>18,709</u>			225,649
Related benefits:					
Payroll taxes	16,104	1,431			17,535
Accounting	2,462	2,594			5,056
Audit		4,150			4,150
Advertising		40			40
Bank charges		70			70
Client service expenses	25,370				25,370
Client transportation exp.	2,710				2,710
Depreciation-Furn.&Equip	8,634				8,634
Dues and subscriptions	800				800
Equipment expense	8,464				8,464
Food supplies	4,205				4,205
Fundraising expenses				124,799	124,799
Grant expenses			0		0
Insurance expense	20,690	1,439			22,129
License and permits		5			5
Maintenance-Shelter	12,828				12,828
Meetings, sem. & conven.	6,738				6,738
Non-food supplies	6,188				6,188
Office supplies	5,859				5,859
Postage and delivery exp.		1,171			1,171
Rent expense	42,000				42,000
Telephone	13,719				13,719
Utilities	15,689				15,689
TOTALS	\$ 399,400	29,609	0	124,799	\$ 553,808

The accompanying notes are an integral part of the financial statements.

**ST. BERNARD BATTERED WOMEN'S PROGRAM, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

NOTE 1-ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

A. Organization

(1) The Organization

St. Bernard Battered Women's Program, Inc., (SBBWP, Inc.), was incorporated in January, 1987 as a non-profit organization under Section 501(c)(3) of the Internal Revenue Code to provide services to women and their dependent children who are victims of domestic violence. SBBWP provides temporary housing for its clients. Clients also receive food and clothing, help as well as information on housing, legal and welfare aid, educational assistance, training and employment counseling so that they can break the cycle of domestic violence cycle in their lives. The organization incorporates counseling, court advocacy and referrals to community-based programs. All services are free and confidential and a crisis line is answered 24 hours a day by staff or volunteers.

A small Outreach Office in the Plaquemines Parish government building serves as a location for advocacy and referrals to other service agencies in Plaquemines Parish.

In an endeavor to keep the location of the battered women's shelter secret from the general public, the Organization has a policy of allowing donors to call the St. Bernard Battered Women's Program telephone number listed in the telephone book and arrangements can be made to pick up the donation at some prearranged time and location agreed upon by the SBBWP representative and the donor.

(2) Economic Dependence

SBBWP, Inc. is significantly funded by the State of Louisiana, Office on Women's Policy. Should the Office on Women's Policy cut its funding or disallow items, St. Bernard Battered Women's Program, Inc. may be required to reduce its services.

B. Significant Accounting Policies

(1) Financial Statement Presentation

The financial statements are prepared on the accrual basis of accounting and 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 its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. Also required is the presentation of a statement of cash flows.

Unrestricted net assets represent those assets which are not subject to donor-imposed stipulations and, therefore, are assets the organization may use at its discretion.

Temporarily restricted net assets result from contributions and other inflows of assets whose use by the organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of SBBWP, Inc. pursuant to those stipulations.

Permanently restricted net assets result from contributions and other inflows of assets whose use by the organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of SBBWP, Inc.

Net assets of the two restricted classes are created only by donor-imposed restrictions on their use. All other net assets, including board-designated or appropriated amounts, are legally unrestricted and are reported as part of the unrestricted class.

St. Bernard Battered Women's Program, Inc. does not have any permanently restricted net assets for fiscal year ended June 30, 2005.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-stipulated restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses

on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

(2) Contributions

St. Bernard Battered Women's Program, Inc. has adopted Statement of Financial Accounting Standards (SFAS) No. 116, *Accounting for Contributions Received and Contributions Made*. In accordance with SFAS No. 116, contributions are recognized when the donor makes a promise to give and are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions.

SBBWP, Inc. reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor 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.

The organization reports contributions of assets other than cash at their estimated fair value at the date of the gift and are reported as revenues of the unrestricted net asset class unless explicit donor stipulations specify how the donated asset must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as revenues of the temporarily restricted or permanently restricted net asset classes. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are re-

ported as temporarily restricted or permanently restricted support for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net assets classes. When a qualifying expenditure occurs or a time restriction expires, temporarily restricted assets are recognized in unrestricted net assets as "net assets released from restrictions" in the statement of activities. However, if a restriction is fulfilled in the same period in which the contribution is received, the contribution is reported as an unrestricted contribution.

(3) Equipment and Furnishings

Equipment and furnishings, major renovations or major repairs are stated at cost at the date of acquisition or renovation, or, if donated, at fair value at date of donation. Minor renovations or repairs and maintenance are expensed as incurred. Depreciation is computed using the straight-line method over three years for vehicles, five years for furniture and equipment and ten years for leasehold improvements. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in the statement of activities for the period.

(4) Use of 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 judgments that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and revenues and expenses recognized during the reported period. Actual results could differ from those estimates. Changes in prior year estimates are accounted for within the statement of changes in net assets in the current year.

(5) Cash and Cash Equivalents and Concentrations of Credit Risk

Cash and cash equivalents consist of cash held in checking accounts and certificates of deposit with several banks in the St. Bernard Parish, Louisiana area. These funds are insured by the Federal Deposit Insurance Corporation (FDIC). Since the amounts held at each bank do not exceed the insured limit for deposited funds, Management believes

SBBWP, Inc. is not exposed to any significant credit risk on cash and cash equivalents.

(6) Functional Allocation of Expenses

The cost of providing the program and administering the related supporting services have been summarized on a functional basis in the statement of activities. Accordingly, expenses that benefit both program and supporting services have been allocated using management's estimates.

SBBWP, Inc.'s fundraising activities in many cases include purposes or contents related to a program service. American Institute of Certified Public Accountants Statement of Position 98-2 states that joint costs of informational materials or activities should be allocated between fundraising and the appropriate program or general function if it can be demonstrated that a program or general function has been performed in conjunction with the appeal for funds. Although the organization has the ability to give evidence for such combined activities, it does not allocate those portions from its fundraising activities to program services.

(7) Donated Materials and Services

SBBWP, Inc. records the value of donated goods and services received when there is an objective basis available to measure their value. No amounts have been reflected in the statements for donated clothing or services as no objective basis is available to measure the value of such goods or services.

(8) Income Taxes

St. Bernard Battered Women's Program, Inc. has received a determination letter from the Internal Revenue Service (IRS) indicating that it is a tax-exempt organization as provided for in Section 501(c)(3) of the Internal Revenue Code, except for taxes pertaining to unrelated business income, and is exempt from Federal and state income taxes. In addition, the organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Internal Revenue Code. No provision has been made for income taxes in the accompanying financial statements since SBBWP, Inc. does not have a significant amount of unrelated business income for fiscal year ended June 30, 2005.

(9) Board Compensation

The Board of Directors of St. Bernard Battered Women's Program, Inc. is a voluntary board and, therefore, no compensation was paid to any board member during the year ended June 30, 2005.

(10) Operations

St. Bernard Battered Women's Program, Inc. entered into a reimbursement contract with the State of Louisiana, Governor's Office on Women's Policy, Family Violence Program whereby expenses in connection with the battered women's shelter program would be reimbursed upon presentation of expenses incurred.

Also in connection with the temporary housing program, SBBWP, Inc. entered into a reimbursement contract with the State of Louisiana, Department of Social Services, Office of Community Services as subgrantee in connection with the United States Department of Housing and Urban Development's Emergency Shelter Grants Program. SBBWP, Inc. also receives funds from the United States Department of Housing and Urban Development's Emergency Food Services Grants Program.

In addition, SBBWP, Inc. entered into grant agreements with Louisiana Coalition Against Domestic Violence as subgrantee in connection with a grant from the United States Department of Health and Human Services in connection with the Temporary Assistance for Needy Families (TANF) Initiative in connection with Children's Services in Domestic Violence Programs and Rural Projects Assistance Programs. These grants reimburse expenses specifically incurred for the special needs of the minor children of SBBWP, Inc. clients who have suffered because of the trauma of domestic violence and support Outreach programs in the St. Bernard and Plaquemines Parish, Louisiana areas.

And SBBWP entered into a grant agreement with Louisiana Commission on Law Enforcement and Administration of Criminal Justice as subgrantee in connection with a grant from the United States Department of Justice, Office of Justice Programs designated for project "Domestic Violence Program" as part of the Stop Violence Against Women Formula Grant Program administered by Louisiana Commission on Law Enforcement and Administration of Criminal Justice. These grants cover expenses incurred in connection with preparing protective orders from the court and for individual and group counseling.

Also SBBWP, Inc. entered into an grant agreement with IOLTA-Louisiana Bar Foundation to help fund its program of providing legal assistance regarding the prevention of/or obtaining relief from spousal/family battery or cruelty in the form of temporary restraining orders.

(11) Total Columns

Total columns are presented to facilitate financial analysis. Data in these columns do not present financial position, results of activities and changes in net assets in conformity with accounting principles generally accepted in the United States of America. Neither is such data comparable to a consolidation.

NOTE 2 - GRANTS FROM GOVERNMENTAL AGENCIES

Included in the grants from governmental agencies is the following:

(1) \$218,382 received under a contract with the State of Louisiana, Office on Women's Policy, which included \$69,471 of federal funds through the United States Department of Health and Human Services in connection with the Federal Family Violence Prevention and Services Act;

(2) Federal funds in the amount of \$26,063 through United States Department of Housing and Urban Development in connection with its Emergency Shelter Grants Program was received from the St. Bernard Parish Police Jury through an agreement with the Louisiana Department of Social Services, Office of Community Services and \$5,810 from Emergency Food Services Grant Program;

(3) Federal funds in the amount of \$47,608 through United States Department of Health and Human Services received under a contract with the State of Louisiana, Louisiana Coalition Against Domestic Violence through the TANF Initiative in connection with Children's Services in Domestic Violence Programs;

(4) Federal funds in the amount of \$32,232 received under a contract with the United States Department of Justice, Office of Justice Programs Grant which funds were received in connection with a grant designated for the project "Domestic Violence Outreach" as part of the Stop Violence Against Women Formula Grant Program administered by the Louisiana Commission on Law Enforcement and Administration of Criminal Justice.

NOTE 3 - ACCOUNTS RECEIVABLE

The accounts receivable is due from various grantors listed below for services provided through June 30, 2005. All receivables are expected to be received in a timely manner. The accounts receivable balance consists of the following:

Due from Office on Women's Policy	\$ 46,128
Due from Emergency Shelter Grant Program	2,533
Due from LA Commission on Law Enforcement	<u>11,245</u>
Total Accounts Receivable	\$59,906

NOTE 4 - UNCONDITIONAL PROMISES TO GIVE

Due to the fact that the Emergency Food Services Grant and the IOLTA-Louisiana Bar Association grant are on a calendar year basis and SBBWP, Inc. is on a June 30 fiscal year end, the remaining promise to give amounts for these two grants are as follows:

Emergency Food Services Grant for food supplies	\$1,929
IOLTA-Louisiana Bar Foundation Grant for paralegal, court fees and office supplies pertaining to temporary restraining orders	<u>550</u>
Total Unconditional Promises to Give	\$2,479

NOTE 5 - PREPAID EXPENSES

Prepaid expenses consists of prepaid insurance expenses in the amount of \$3,108 as of fiscal year ended June 30, 2005.

NOTE 6 - FIXED ASSETS

Depreciation is calculated using the straight line method over a useful life of three years for vehicles, five years for furniture and equipment and amortization for leasehold improvements is calculated using the straight line method over a useful life of ten years.

Fixed assets consist of the following:

<u>Fixed Assets</u>	<u>Costs as of 06/30/04</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Costs as of 06/30/05</u>
Transportation vehicles	\$ 23,081	\$ 0	\$ 0	\$ 23,081
Furniture and equipment	<u>95,878</u>	<u>5,247</u>	<u>0</u>	<u>101,125</u>
SUB-TOTALS	118,959	5,247	0	124,206
Leasehold improvements	<u>2,765</u>	<u>0</u>	<u>0</u>	<u>2,765</u>
TOTALS	\$121,724	\$ 5,247	\$ 0	\$126,971

<u>Fixed Assets</u>	<u>Accum. Depre. as of 06/30/04</u>	<u>Depre. Expense</u>	<u>Write Off Depreciation</u>	<u>Accum. Depre. as of 06/30/05</u>
Transportation vehicles	\$ 1,847	\$ 7,693	\$ 0	\$ 9,540
Furniture and equipment	<u>92,841</u>	<u>941</u>	<u>0</u>	<u>93,782</u>
SUBTOTALS	94,688	8,634	0	103,322

	<u>Accum. Depre. as of 06/30/04</u>	<u>Depre. Expense</u>	<u>Write Off Depreciation</u>	<u>Accum. Depre. as of 06/30/05</u>
Leasehold Improvements	<u>2,765</u>	<u>0</u>	<u>0</u>	<u>2,765</u>
TOTALS	\$ 97,453	\$ 8,634	\$ 0	\$106,087

Costs of Fixed Assets as of 6/30/05:

Costs of Furniture & Equipment as of 06/30/05	\$ 124,206
Less Accumulated Depreciation	<u>103,322</u>
Net Book Value of Furniture & Equipment	\$ 20,884

Costs of Leasehold Improvements as of 06/30/05	\$ 2,765
Less Accumulated Amortization	<u>2,765</u>
Net Book Value of Leasehold Improvements	\$ <u>0</u>

Total Net Book Value as of 06/30/05	\$ 20,884
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NOTE 7 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets as of June 30, 2005 consists of the following:

(1) Certain assets purchased with grant funds that are restricted as to disposition. The total amount of fixed assets limited by these restrictions is \$20,884.

(2) The Emergency Food Services Grant and the IOLTA-Louisiana Bar Association grant are on a calendar year basis and SBBWP, Inc. is on a June 30 fiscal year end. The total amount of unconditional promises to give for these two grants is \$2,479.

The total amount of donor-imposed temporarily restricted net assets is \$23,363 as of June 30, 2005.

NOTE 8 - PRIOR PERIOD ADJUSTMENT

During fiscal year ended June 30, 2005, after diligent research, it was discovered an error had been made in accruing \$5,094 as a receivable due from others and \$1,069 as an other current asset during fiscal year ended June 30, 2004. Therefore a prior period adjustment of \$6,163 was made to write off these erroneous accruals for fiscal year ended June 30, 2005.

NOTE 9 - ACCRUED EMPLOYEE BENEFITS

No amount has been reflected in the financial statements for accrued compensated absences as the amount cannot be reasonably estimated.

NOTE 10 - FAIR VALUE OF FINANCIAL INSTRUMENTS

Required by Statement of Accounting Standards (SFAS) No. 107, *Disclosure about Fair Value of Financial Instruments*, disclosure of fair value information about certain financial instruments is required, whether or not recognized in the statement of financial position for which it is practicable to estimate that value. The following methods and assumptions were used in estimating fair value:

	<u>Carrying Amounts</u>	<u>Fair Value</u>
Cash and cash equivalents	\$134,213	\$134,213

Cash and cash equivalents consists entirely of monies held in bank checking accounts and certificates of deposit. The carrying value of cash and cash equivalents approximates fair value because of the ease of convertibility of these financial instruments into cash at any given time as the need may arise.

NOTE 11 - CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Department of Health and Hospitals and TANF grants. Any disallowed claims including amounts already collected, may constitute a liability of applicable funds. The amount, if any, or expenditures which may be disallowed by the grantor cannot be determined at this time; although SBBWP, Inc. expects such amounts to be immaterial.

NOTE 12 - SPECIAL FUND-RAISERS

Charitable gaming - Bingo games were held every Sunday night and every Monday and Wednesday during the day at Jake's Bingo Hall in Chalmette, LA on an on-going basis, week after week, the proceeds of which went to the St. Bernard Battered Women's Shelter Program to use, as necessary, at its discretion. This on-going fund-raiser activity generated \$166,245 and incurred expenses of 121,418 for net proceeds of \$44,827 for fiscal year ended June 30, 2005.

The donation of used cell phones to the organization was another on-going fund-raiser during fiscal year ended June 30, 2005. At various times during the year, the donated cell phones were collected together and sent to Shelter Alliance which, in turn, paid a certain amount for each cell phone collected. This fund-raiser activity generated \$2,596 for fiscal year ended June 30, 2005.

The St. Bernard Battered Women's Program's annual Walk/Run Event promoting domestic violence awareness and prevention generated \$4,970 and incurred expenses of \$2,745 for net proceeds of \$2,225.

NOTE 13 - DONATED FACILITIES

The SBBWP, Inc. has donated shelter facilities and office space in Chalmette, Louisiana valued at \$42,000 in these financial statements. The use of the building can continue as long as the use remains as outlined in the articles of incorporation of the organization. The small office space donated by the Plaquemines Parish Government as an Outreach office was used for only a short period of time and as no objective basis is available to measure the value of the small space, no provision for donated rent appears in the financial statements for the Outreach office. Accordingly, rent expense for fiscal year ended June 30, 2005 totaled \$42,000.00

NOTE 14 - ADVERTISING COSTS

SBBWP, Inc. expenses the costs of advertising as they are incurred. During fiscal year ended June 30, 2005, SBBWP, Inc. paid \$40 in advertising costs for the advertisement of employment positions as they became available in order to maintain its staffing requirements to fulfill its various grant contract requirements and program objectives in connection with the public it serves. There were no other advertising costs expensed during the year.

NOTE 15 - SUBSEQUENT EVENTS

On Saturday, August 27, 2005, with the approach of Hurricane Katrina, a category five hurricane that slammed into the Southeast Louisiana Gulf Coast region, all residents of St. Bernard Battered Women's Shelter were evacuated and all operations ceased for what was expected to only be a day or two. The facility experienced hurricane force winds and sustained major flooding. Flood waters remained in the area for a week to ten days. Residents were not allowed back into the area for over a month after the catastrophe. As a result of flood waters and extensive mold growth thereafter, all furnishings, equipment, records, supplies, etc. were destroyed.

Once the condition of the shelter facility was assessed, Management began making plans to rebuild. In October 2005 the staff consisted of the Executive Director and the Program Coordinator. Together they started the rebuilding process and continued to offer non-residential services on an outreach basis. By February 2006 the staff was increased to two out-

reach coordinators, a shelter advocate and a bookkeeper/office manager. As a base of operations, SBBWP, Inc. is currently operating out of a donated modular office building.

St. Bernard Battered Women's Program, Inc. is significantly funded by the State of Louisiana, Governor's Office on Women's Policy grant that was scheduled to be renewed with an effective date of July 1, 2005. Due to the substantial flooding from Hurricane Katrina in St. Bernard Parish and the surrounding areas, the Office on Women's Policy cut its funding for the month of September and commenced contract negotiations with the affected programs. Management made gigantic efforts to continue the funding contract and was awarded a renewal contract in November 2005 for the period October 1, 2005 through June 30, 2006.

In the meantime, through the efforts of the Louisiana Coalition Against Domestic Violence staff, donations were received through their Katrina Relief Fund and distributed to the programs affected by the hurricane. These funds assisted with operation expenses for the month of September as well as some rebuilding costs. Each program affected by Hurricane Katrina received \$40,000 for operating expenses and \$10,000 for direct use of survivors seeking to return to the affected areas.

All things considered, the St. Bernard Battered Women's Program, Inc., its management and staff were very fortunate to have survived the most devastating storm in the history of the United States. All staff and board members are presently living in FEMA trailers and trying to rebuild their personal lives as well as the battered women's program and the community in which they live. To be able to continue operations under these conditions is due to many factors: the leadership of a strong Board of Directors, the commitment of the Executive Director and the dedication of the staff all working together to accomplish a common goal - to protect and serve battered women and their children. St. Bernard Battered Women's Program was established in 1987 and plans to continue offering these services for many years to come.

SUPPLEMENTARY INFORMATION

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

Board of Directors
St. Bernard Battered Women's Program, Inc.
Chalmette, LA 70043

I have audited the financial statements of St. Bernard Battered Women's Program, Inc., (a nonprofit organization), as of and for the fiscal year ended June 30, 2005, and have issued my report thereon dated June 9, 2006. 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.

Compliance

As part of obtaining reasonable assurance about whether St. Bernard Battered Women's Program, Inc.'s financial statements are free of material misstatement, I 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 statements 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered St. Bernard Battered Women's Program, Inc.'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 assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could adversely affect St. Bernard Battered Women's Program, Inc.'s ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item 2005-1.

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. My consideration of the internal control over financial reporting 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, of the reportable conditions described above, I consider item 2005-1 to be a material weakness. I also noted a certain immaterial instance as noted in the attached management letter dated June 9, 2006.

This report is intended solely for the information and use of the audit committee, management, others within the organization, the Legislative Auditor of the State of Louisiana, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Delphine A. Cuppay, CPA

Delphine A. Cuppay, CPA
Slidell, Louisiana

June 9, 2006

ST. BERNARD BATTERED WOMEN'S PROGRAM, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

I have audited the basic financial statements of St. Bernard Battered Women's Program, Inc. (a nonprofit organization) as of and for the fiscal year ended June 30, 2005, and have issued my report thereon dated June 9, 2006. 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. My audit of the financial statements as of June 30, 2005 resulted in an unqualified opinion.

Section 1 - Summary of Auditor's Reports

*a. Report on Internal Control and Compliance Material to the
Financial Statements*

Internal Control:

Material Weakness Yes No Other Conditions Yes No

Compliance:

Noncompliance Material to Financial Statements Yes No

b. Federal Awards

Internal Control Over Major Programs: **NOT APPLICABLE**

Material Weakness Yes No Reportable Conditions Yes No

Type of Opinion On Compliance

For Major Programs:

NOT APPLICABLE

Unqualified

Qualified

Disclaimer

Adverse

Are their findings required to be reported in accordance with Circular A-133, Section 510(a)? Yes No

Section 1 - Summary of Auditor's Reports

c. *Identification of Major Programs:* **NOT APPLICABLE**

CFDA Numbers

Name of Federal Program or Cluster

Dollar threshold used to distinguish
between Type A and Type B Programs: \$500,000

Is the auditee a "low-risk" auditee,
as defined by OMB Circular A-133? Yes No

Section II - Financial Statement Findings

2005-1 Segregation of Duties

Condition: During the year a failure in internal control developed involving the segregation of duties with regard to general accounting functions. Because of the Executive Director's expertise in grant writing and grant requirements, there was effective allocation of costs and allowable cost requirements were being complied with for the most part, however general overall supervision and review of financial information was lacking.

Cause: This condition was caused by inadequate controls over cash and accounting functions and the general lack of overall supervision and review of financial information due to the small size of the Organization's accounting and administrative staff consisting of the Executive Director and an administrative assistant who performed some accounting functions and the fact that the Organization hired an outside accountant who professed to be experienced in nonprofit accounting, but who later was discovered as lacking expertise in connection with the cost allocation requirements of tracking expenditures of the cost reimbursement grants and timely recording of grant receivables in order to generate timely prepared and meaningful financial statements. Toward the end of fiscal year ending June 30, 2005, SBBWP, Inc. hired another outside accountant who was experienced in handling non-profit accounts with cost reimbursement grants to take over such duties.

Effect: This condition had the effect of weakening controls in the cash and accounting function, precluded segregation of duties and, because of the time lag it generated in properly recording transactions, it hindered the timely review of financial information for effective management purposes.

Criteria: Internal controls should be in place that provide reasonable assurance that there is segregation of duties with regard to approval for transactions, recordation of transactions, supervision and timely review of financial information.

Questioned costs: \$0

Recommendation: A segregation of duties can be attained between the two key employees - the Executive Director and the Administrative Assistant. The Administrative Assistant can authorize expenditures in accordance with organizational policy and procedures up to a set dollar amount, prepare cost reimbursement billings and perform the clerical functions of accounting and record keeping. The Executive Director will perform the review functions of approving payment of accounts payable, reviewing cost reimbursement billings before mailing and receiving the unopened bank statements for review before bank reconciliation each month by means of the outside accountant who also performs various other functions in order to generate timely prepared financial statements.

Section III - Federal Award Findings and Questioned Costs

NOT APPLICABLE

**ST. BERNARD BATTERED WOMEN'S PROGRAM, INC.
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

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

#03-01 Timely Preparation of Financial Statements

Recommendation: Financial statements should be
be available within 30 days of the month's end **Resolved**

#04-01 Internal Control over Bingo Cash

Recommendation: Controls should be established
to safeguard bingo cash and to promptly deposit
and reconcile all cash collected as soon as practical **Resolved**

#04-02 Full Accrual Accounting

Recommendation: That the bookkeeper/accountant
be advised to book and reverse all receivables and
payables as warranted by GAAP **Resolved**

**#04-03 Timely Submission of Audited Financial
Statements**

Recommendation: All needed confirmations and
correspondence be provided to the auditor in a
timely fashion to facilitate timely completion **Resolved**

THIS SCHEDULE HAS BEEN PREPARED BY MANAGEMENT

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

NOT APPLICABLE - NO FINDINGS HAVE BEEN REPORTED

SECTION III - MANAGEMENT LETTER

#04-01 Supporting Documentation for Disbursements

Recommendation: That additional controls be established to maintain all supporting documentation

Resolved

THIS SCHEDULE HAS BEEN PREPARED BY MANAGEMENT.

DELPHINE A. CUPPAY
CERTIFIED PUBLIC ACCOUNTANT
60233 Donya Street
Slidell, LA 70460
Phone/FAX (985) 781-4931

June 9, 2006

To the Senior Management and
The Board of Directors of
St. Bernard Battered Women's Program, Inc.
Chalmette, LA 70043

I have audited the basic financial statements of St. Bernard Battered Women's Program, Inc. as of and for the fiscal year ended June 30, 2005, and have issued my report thereon dated June 9, 2006. 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.

As part of my examination, I have issued my report on the financial statements dated June 9, 2006 and my report on internal control and compliance with laws, regulations, and contracts dated June 9, 2006.

During the course of my examination, I became aware of the following matters which represent immaterial deviations of compliance or suggestions for improved internal controls.

Suggestion 2005-1 - Disaster Recovery/Contingency Planning

Condition: During the course of testing internal controls, I noted there was a plan developed for alternative processing in the event of loss or interruption of the information technology function and that occasionally computer backups were made and stored off premises in the event of a disaster. There should also be backup files stored off premises, either in computer generated format or hard copy, for permanent corporate documents such as Articles of Incorporation, By-Laws, Minutes of the Board of Directors meetings, fixed assets, investments, notes payable, etc. Also copies of tax returns, audit reports and grantor contracts for the current year and going back at least three prior years should be kept off premises as well as a record of names, addresses, phone numbers, account numbers and various other contact information.

Internal controls should be in place that provide reasonable assurance that, in the event of a disaster, the Organization could be up and running in a short period of time in another location, if necessary, to facilitate financial aid, filing requirements and the day to day financial and operational activities to preclude the development of going-concern issues from arising in the event of a disaster.

Cause: This condition was caused by inadequate controls over cash and accounting functions, particularly over corporate documents, and the general lack of overall supervision and review of corporate as well as financial information due to the small size of the Organization's accounting and administrative staff.

Effect: This condition had the effect of weakening controls in the cash and accounting function.

Recommendation: I recommend that additional controls be established in the event of a disaster by not only having a plan for alternative processing in the event of loss or interruption of the information technology function but that computer backups should be made weekly and stored off premises, either in computer generated format or hard copy, for permanent corporate documents such as Articles of Incorporation, By-Laws, Minutes of the Board of Directors meetings, fixed assets, investments, notes payable, etc. Also copies of tax returns, audit reports and grantor contracts for the current year and going back at least three prior years should be kept off premises as well as a record of names, addresses, phone numbers, account numbers and various other contact information.

I recommend management address the foregoing issue as an improvement to operations and the administration of public programs. This recommendation is meant as a suggestion to improve and not to criticize management or the administrative accounting staff. I am available to further explain the suggestion or help implement the recommendation.

Delphine A. Cuppay, CPA
Delphine A. Cuppay, CPA
Slidell, Louisiana

June 9, 2006

ST. BERNARD BATTERED WOMEN'S PROGRAM, INC.
MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

**SECTION 1 - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO
THE FINANCIAL STATEMENT**

<u>2005-1 Segregation of Duties</u> Recommendation: Of the two key employees- Administrative Assistant to perform clerical functions of accounting and record keeping and Executive Director to perform review functions	Management will segregate duties between Administrative Assistant and Executive Director as follows: Administrative Assistant will prepare grantor cost reimbursement billings, record transactions in the general ledger and maintain records. Executive Director will approve pay- ments of accounts payable invoices, review grantor cost reimbursement billings before mailing, and receive the unopened bank statements for review before bank reconciliation each month. These changes will take effect immediately.
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**SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO
FEDERAL AWARDS**

NOT APPLICABLE

SECTION III - MANAGEMENT LETTER

<u>MGT-2005-1 Disaster Recovery/ Contingency Planning</u> Recommendation: Additional controls be established to ensure not only financial informa- tion but also copies of permanent corporate documents as well as tax returns, audit reports and grantor contracts for the current year and three prior years be kept off premises for easy access and continuity of operations in the event of a disaster.	Management will ensure that copies of permanent corporate documents and tax returns, audit reports and grantor contracts for the current year and three prior years will also be kept off premises for recover in the event of a disaster.
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THIS SCHEDULE HAS BEEN PREPARED BY MANAGEMENT