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STATE OF LOUISIANA
MONROE, LOUISIANA

OUR HOUSE, INC.
MONROE, LOUISIANA

FINANCIAL STATEMENTS
AND
ACCOUNTANT'S REPORT

DECEMBER 31, 1998

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date JUN 09 1999

OUR HOUSE, INC.
TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6-7
Schedule of Federal Financial Assistance	8
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	9

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Our House, Inc.
Monroe, Louisiana

We have audited the accompanying statement of financial position of Our House, Inc. (a nonprofit organization) as of December 31, 1998, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Our House, Inc. as of December 31, 1998, and the changes in net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 24, 1999, on our consideration of Our House, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Our House, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organization," and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Marcus, Robinson & Hassell

Marcus, Robinson and Hassell
Monroe, Louisiana
May 24, 1999

OUR HOUSE, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 1998

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	50,373
Grant Receivable - Transitional Living	2,512
Grant Receivable - DDHS	1,157
Grant Receivable - La Childrens Trust (Mentor)	2,979
Grant Receivable - CDBG	10,076
Grant Reccivable - Family Strengthening	1,853
Grant Receivable - Academic at Risk	<u>1,478</u>

TOTAL CURRENT ASSETS 70,428

FIXED ASSETS, NET (Note 3) 93,145

TOTAL ASSETS 163,573

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	<u>762</u>
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TOTAL CURRENT LIABILITIES 762

NET ASSETS

Unrestricted Net Assets:	
Operating	54,666
Fixed Assets	93,145
Temporarily Restricted Net Assets	<u>15,000</u>

TOTAL NET ASSETS 162,811

TOTAL LIABILITIES AND NET ASSETS 163,573

See Accompanying Notes

OUR HOUSE, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 1998

UNRESTRICTED NET ASSETS

PUBLIC SUPPORT AND REVENUE

PUBLIC SUPPORT:

Individuals and Corporations	20,944
Fund Raiser	3,897
United Way	35,438
Grant - DDHS	150,722
Grant - CDBG	31,457
Grant - Family Strengthening	12,052
La Children / Mentor	14,681
Grant - Transitional Living	24,970
In-Kind Contributions	<u>73,257</u>
<u>TOTAL UNRESTRICTED PUBLIC SUPPORT</u>	367,418

REVENUE:

Membership	590
Interest Income	1,460
Other Income	<u>4,751</u>
<u>TOTAL UNRESTRICTED REVENUE</u>	<u>6,801</u>

TOTAL UNRESTRICTED PUBLIC SUPPORT AND REVENUE 374,219

EXPENSES

PROGRAM SERVICES:

Shelter	184,334
Mentor	14,578
Family Strengthening	12,053
Safe Place	633
Transitional Living	<u>24,970</u>
<u>TOTAL PROGRAM SERVICES</u>	236,568

SUPPORTING SERVICES:

Management and General	<u>67,394</u>
<u>TOTAL SUPPORTING SERVICES</u>	<u>67,394</u>
<u>TOTAL EXPENSES</u>	<u>303,962</u>

INCREASE IN UNRESTRICTED NET ASSETS 70,257

TEMPORARILY RESTRICTED NET ASSETS

Grant - FRUEAUFF Foundation	<u>15,000</u>
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INCREASE IN NET ASSETS 85,257

NET ASSETS, Beginning of Year 77,554

NET ASSETS, End of Year 162,811

See Accompanying Notes

OUR HOUSE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 1998

	<u>PROGRAM SERVICES</u>			
	<u>SHELTER</u>	<u>LA CHILDREN/ MENTOR</u>	<u>FAMILY STRENGTHENING</u>	<u>SAFE PLACE</u>
<u>SALARIES AND RELATED EXPENSES</u>				
Salaries	89,111	10,506	10,061	24
Payroll Taxes	9,330	831	1,089	0
Employee Benefits	<u>20</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>TOTAL SALARIES AND RELATED EXPENSES</u>	<u>98,461</u>	<u>11,337</u>	<u>11,150</u>	<u>24</u>
<u>OTHER EXPENSES</u>				
Advertising	0	0	0	74
Bank Charges	16	0	0	0
Depreciation	3,525	0	0	0
Dues and Fees	341	0	0	290
Fund Raise Expense	0	0	0	0
Insurance	5,805	0	0	0
Legal and Accounting	6,938	0	0	0
Meals	4,165	0	0	0
Medical	1,127	0	0	0
Miscellaneous	845	2,187	493	0
Office Supplies	1,270	118	360	0
Postage	476	64	0	0
Printing	161	0	50	30
Professional Fees	100	0	0	215
Rent	6,000	0	0	0
Repairs and Maintenance	799	0	0	0
Supplies	1,625	645	0	0
Taxes and Licenses	405	0	0	0
Telephone	2,948	0	0	0
Travel	1,502	227	0	0
Utilities	4,680	0	0	0
In-Kind Costs	<u>43,145</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>TOTAL OTHER EXPENSES</u>	<u>85,873</u>	<u>3,241</u>	<u>903</u>	<u>609</u>
<u>TOTAL PROGRAM AND SUPPORTING SERVICES EXPENSES</u>				
	<u>184,334</u>	<u>14,578</u>	<u>12,053</u>	<u>633</u>

<u>TRANSITIONAL LIVING</u>	<u>SUPPORTING SERVICES MANAGEMENT AND GENERAL</u>	<u>TOTAL</u>
15,843	20,131	145,676
1,520	2,491	15,261
<u>0</u>	<u>10</u>	<u>30</u>
17,363	22,632	160,967
0	950	1,024
0	8	24
0	1,526	5,051
12	0	643
0	3,352	3,352
647	777	7,229
0	3,494	10,432
112	1,393	5,670
0	260	1,387
192	564	4,281
83	321	2,152
32	154	726
54	0	295
0	0	315
5,525	0	11,525
48	772	1,619
219	396	2,885
0	0	405
176	408	3,532
26	363	2,118
481	236	5,397
<u>0</u>	<u>29,788</u>	<u>72,933</u>
<u>7,607</u>	<u>44,762</u>	<u>142,995</u>
<u>24,970</u>	<u>67,394</u>	<u>303,962</u>

See Accompanying Notes

OUR HOUSE, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 1998

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	85,257
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	5,051
(Increase) Decrease In:	
Grants Receivable	1,685
Increase (Decrease) In:	
Accounts Payable	<u>154</u>

NET CASH PROVIDED BY OPERATING ACTIVITIES 92,147

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of Property and Equipment	(83,383)
Decrease in Investment	<u>5,656</u>

NET CASH USED IN INVESTING ACTIVITIES (77,727)

NET INCREASE IN CASH 14,420

CASH, BEGINNING OF YEAR 35,953

CASH, END OF YEAR 50,373

See Accompanying Notes

OUR HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

NOTE 1 - NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Our House, Inc. is a nonprofit organization based in Monroe, Louisiana. The Organization provides "hotline" services for runaway and troubled teens. The Organization's services also include providing shelter and transportation for troubled teens.

Basis of Accounting

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

Public Support and Revenue

Annual contributions are recorded as revenue when received and are generally available for unrestricted use unless specifically restricted by the donor.

Grant income is deferred until expended for the purpose of the grant. Unreimbursed expenses are recorded as income and as a grant receivable.

Contributions of donated noncash assets are recorded at their fair 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.

Functional Expenses and Expense Allocation

Functional expenses are expenses that can be identified with a specific program. Expenses for support services have not been allocated among program and supporting services classifications, because time records and estimates were not made by the Organization's management.

Accounting Estimates

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

Cash and Cash Equivalents

Cash in checking and savings (if any) is considered cash and cash equivalent for the purposes of the statement of cash flows.

Income Taxes

The Organization is exempt from Federal and State income taxes under Section 501(c)3 of the Internal Revenue Code. Therefore, no provision for income taxes has been made in these financial statements.

Property and Equipment

Assets have been recorded at cost when cost could be determined, and at estimated cost when cost records could not be located. All donated assets have been recorded at estimated fair value on the date of donation. Fixed assets are being depreciated over estimated useful lives using the straight line method.

OUR HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

NOTE 1 - NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Financial Statement Presentation

The Organization has adopted 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. In addition, the Organization is required to present a statement of cash flows. As permitted by the statement, the Organization has discontinued its use of fund accounting.

Contributions

The Organization has also adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made." Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

NOTE 2 - FIXED ASSETS

Assets

Building and Land	71,150
Autos	14,138
Furniture and Equipment	<u>19,666</u>
	104,954

Accumulated Depreciation

Building and Land	263
Autos	1,736
Furniture and Equipment	<u>9,810</u>
	<u>11,809</u>
Net Fixed Assets	<u>93,145</u>

Depreciation for the year ended December 31, 1998 totaled \$5,051.

NOTE 3 - OPERATING LEASE

The Organization has a month to month operating lease for its building requiring rent of \$6,000 annually. The Organization has a one year noncancelable operating lease for a building payable at \$750 per month. The lease will expire in May 1999.

Rent expense for 1998 was \$11,525.

OUR HOUSE, INC.
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 1998

<u>Federal Grants/Pass-Through Grantor/Program Title</u>	<u>C.F.D.A. Number</u>	<u>Grant Award Number</u>	<u>Current Year Expenditures</u>
U.S. Department of Health and Human Services: Runaway and Homeless Youth Program	93.623	06CY0717	\$106,207
U.S. Department of Housing and Urban Development: Pass-Through from City of Monroe, Louisiana: Community Development Block Grant	14.218	9431.00	31,457
Transitional Living	14.218	LA48897-0702	<u>24,970</u>
Total			<u>\$162,634</u>

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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

To the Board of Directors
Our House, Inc.
Monroe, Louisiana

We have audited the financial statements of Our House, Inc. (a nonprofit organization) as of and for the year ended December 31, 1998, and have issued our report thereon dated May 24, 1999. We conducted our audit in accordance with generally accepted auditing standards 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 Our House, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provision was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Our House, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the audit committee, management, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Marcus, Robinson & Hassell

Marcus, Robinson and Hassell
Monroe, Louisiana
May 24, 1999