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CHEZ HOPE, INC.
FRANKLIN, LOUISIANA

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 1996

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 MAR 26 1997

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MARSHALL W. GUIDRY, CPA
MICHELLE L. CHAUVIN, CPA

GUIDRY & CHAUVIN
CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL ACCOUNTING CORPORATION
P. O. BOX 1028 - 1013 MAIN STREET
FRANKLIN, LOUISIANA 70538

MEMBER OF
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

318 - 828-0272
FAX 318 - 828-0290

INDEPENDENT AUDITOR'S REPORT ON
COMPLIANCE WITH SPECIFIC REQUIREMENTS
APPLICABLE TO NON-MAJOR PROGRAM TRANSACTIONS

To the Board of Directors
Chez Hope, Inc.
Franklin, Louisiana

We have audited the financial statements of Chez Hope, Inc. (a non-profit organization) as of and for the year ended June 30, 1996, and have issued our report thereon dated December 10, 1996.

In connection with our audit of the financial statements of Chez Hope, Inc. and with our consideration of the Organization's internal control structure used to administer federal programs, as required by Office of Management and Budget Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions," we selected certain transactions applicable to certain non-major federal programs for the year ended June 30, 1996.

As required by OMB Circular A-133, we performed auditing procedures to test compliance with the requirements governing types of services allowed or not allowed and eligibility that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Chez Hope's compliance with these requirements. Accordingly, we do not express an opinion.

With respect to the items tested, the results of our procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that Chez Hope, Inc. had not complied, in all material respects, with those requirements. Also, the results of our procedures did not disclose any immaterial instances of noncompliance with those requirements.

This report is intended for the information of the board of directors and its regulatory agencies. However, this report is a matter of public record and its distribution is not limited.

Guidry & Chauvin

Certified Public Accountants

Franklin, Louisiana
December 10, 1996

MARSHALL W. GUIDRY, CPA
MICHELE L. CHAUVIN, CPA

GUIDRY & CHAUVIN
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FRANKLIN, LOUISIANA 70538

MEMBER OF
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

318 - 828 0272
FAX 318 - 828-0290

INDEPENDENT AUDITOR'S REPORT ON
COMPLIANCE WITH THE GENERAL REQUIREMENTS
APPLICABLE TO FEDERAL AWARDS PROGRAMS

To the Board of Directors
Chez Hope, Inc.
Franklin, Louisiana

We have audited the financial statements of Chez Hope, Inc. (a non-profit organization) as of and for the year ended June 30, 1996, and have issued our report thereon dated December 10, 1996.

We have applied procedures to test Chez Hope, Inc.'s compliance with the following requirements applicable to its federal award programs, which are identified in the accompanying Schedule of Federal Awards, for the year ended June 30, 1996: Political activity, civil rights, cash management, federal financial reports, allowable costs, drug free workplace, and administrative requirements.

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement for Audits of Institutions of Higher Learning and Other Non-Profit Institutions." Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Chez Hope, Inc.'s compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of our procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested nothing came to our attention that caused us to believe that Chez Hope, Inc. had not complied, in all material respects, with those requirements. Also, the results of our procedures did not disclose any immaterial instances of noncompliance with those requirements.

This report is intended for the information of the board of directors and its regulatory agencies. However, this report is a matter of public record, and its distribution is not limited.

Guidry & Chauvin

Certified Public Accountants

Franklin, Louisiana
December 10, 1996

Chez Hope, Inc.
Independent Auditor's Report
on Internal Control Structure
Page Three

Response:
No response is considered necessary.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure policies and procedures used in administering federal awards would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe that the reportable condition described above is a material weakness.

This report is intended for the information of Chez Hope, Inc.'s management and regulatory agencies. However, this report is a matter of public record, and its distribution is not limited.

Audrey & Chauvin
Certified Public Accountants

Franklin, Louisiana
December 10, 1996

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal programs in the following categories:

Cash
Program service fees, revenues and receivables
Expenses for program and supporting services and accounts payable
Payroll and related liabilities

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk.

For the year ended June 30, 1996, Chez Hope, Inc. had no major programs and expended 100% of its total federal awards under the following non-major programs: Louisiana Commission on Law Enforcement-Domestic Violence Program and State of Louisiana office of the Governor/Office of Women's Services-Family Violence Program.

We performed tests of controls, as required by OMB Circular A-133, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we have considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to the aforementioned non-major programs. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect Chez Hope, Inc.'s ability to administer federal awards programs in accordance with applicable laws and regulations.

The reportable conditions are as follows:

Inadequate Segregation of Accounting Functions

Findings:

Due to the small number of employees, the organization does not have adequate segregation of functions within the accounting system.

Recommendation:

Based upon the size of the operation and the cost benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

Chez Hope, Inc.
 Schedule of Federal Awards
 For the Year Ended June 30, 1996

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Agency or Pass-Through Number	Federal Expenditures
Other Federal Awards:			
Louisiana Commission on Law Enforcement Domestic Violence Counseling Program	16.575	95-C4-V2-0327	\$ 20,623
Louisiana Commission on Law Enforcement Domestic Violence Counseling Program	16.575	95-C7-V2-0328	16,722
State of Louisiana Office of the Governor Office of Women's Services Family Violence Program	-	114-5012	<u>21,710</u>
Total			<u>\$ 59,055</u>

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MEMBER OF
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

318 - 828-0272
FAX 318 - 828 0290

INDEPENDENT AUDITORS' REPORT ON
SCHEDULE OF FEDERAL AWARDS

To the Board of Directors
Chez Hope, Inc.
Franklin, Louisiana

We have audited the financial statements of Chez Hope, Inc., (a non-profit organization) as of and for the year ended June 30, 1996, and have issued our report thereon dated December 10, 1996. These financial statements are the responsibility of Chez Hope's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions." Those standards and OMB Circular A-133 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 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.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Chez Hope, Inc. taken as a whole. The accompanying Schedule of Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Guidry & Chauvin
Certified Public Accountants

Franklin, Louisiana
December 10, 1996

INDEPENDENT AUDITORS' REPORTS REQUIRED
BY OFFICE OF MANAGEMENT AND BUDGET CIRCULAR
A-133, "AUDITS OF INSTITUTIONS OF HIGHER
EDUCATION AND OTHER NONPROFIT INSTITUTIONS"

MARSHALL W. GUIDRY, CPA
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SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

318 - 828-0272
FAX 318 - 828-0290

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Chez Hope, Inc.
Franklin, Louisiana

We have audited the financial statements of Chez Hope, Inc. (a non-profit organization) as of and for the year ended June 30, 1996, and have issued our report thereon dated December 10, 1996.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions." Those standards and OBM Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Chez Hope, Inc., is the responsibility of Chez Hope, Inc.'s management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Agency's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. 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.

This report is intended for the information of Chez Hope, Inc.'s management and regulatory agencies. However, this report is a matter of public record, and its distribution is not limited.

Guidry & Chauvin

Certified Public Accountants

Franklin, Louisiana
December 10, 1996

matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure, that in our judgement, could adversely affect the entity's ability to record, process, summarize, and report financial data in a manner that is consistent with the assertions of management in the financial statements.

The reportable conditions noted are as follows:

Inadequate Segregation of Accounting Functions

Finding:

Due to the small number of employees, the organization does not have adequate segregation of functions within the accounting system.

Recommendation:

Based upon the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

Response:

No response is considered necessary.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities 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.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be a material weakness as defined above. However, we noted the following matter involving the internal control structure and its operation that we consider to be a material weakness as defined above. This condition was considered in determining the nature, timing, and extent of the procedures to be performed in our audit of the financial statements of Chez Hope, Inc. for the year ended June 30, 1996. We believe that the reportable condition described above; inadequate segregation of duties; is also considered to be a material weakness.

This report is intended for the information of management and funding agencies. However, this report is a matter of public record, and its distribution is not limited.

Guidry & Chauvin
Certified Public Accountants

Franklin, Louisiana
December 10, 1996

GUIDRY & CHAUVIN
CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL ACCOUNTING CORPORATION
P. O. BOX 1028 - 1013 MAIN STREET
FRANKLIN, LOUISIANA 70538

318 - 828-0272
FAX 318 - 828-0290

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Chez Hope, Inc.
Franklin, Louisiana

We have audited the financial statements of Chez Hope, Inc. (a non-profit organization) as of and for the year ended June 30, 1996, and have issued our report thereon dated December 10, 1996.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of Chez Hope, Inc. is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of Chez Hope, Inc. for the year ended June 30, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve

INDEPENDENT AUDITORS' REPORTS REQUIRED
BY GOVERNMENT AUDITING STANDARDS

CHEZ HOPE, INC.
FRANKLIN, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 1996

NOTE 4. LONG TERM DEBT

Chez Hope's obligation under notes payable consists of the following:

9.10% note payable, due in monthly installments of \$347.21, including interest, through February 3, 2010. It is secured by the lot and office building located at 745 Tetreau Street, Thibodaux, Louisiana.	\$32,509
18% note payable, overdraft protection through St. Mary Bank	<u>1,109</u>
Total Long Term Debt	<u>\$33,618</u>

Principal reduction of these two notes totals \$2,368 in 1997, \$1,378 in 1998, \$1,509 in 1999, \$1,652 in 2000 and \$1,809 in 2001.

assets, and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows. As permitted by this new statement, the Organization has discontinued its use of fund accounting and has, accordingly, reclassified its financial statements to present the three classes of net assets required. This reclassification had no effect on the change in net assets for 1996 or 1995.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

NOTE 2. PROMISES TO GIVE

Unconditional promises to give consists of the following:

	<u>1996</u>	<u>1995</u>
Unrestricted promises	\$ 2,900	\$ -
Federal Grant receivable	8,446	6,029
State grants receivable	17,856	20,150
United Way receivable	-	<u>27,254</u>
TOTAL	<u>\$29,202</u>	<u>\$53,433</u>

NOTE 3. PROPERTY AND EQUIPMENT

Expenditures for physical properties are stated at cost. Donated assets are recorded at their estimated fair market value at the date of donation.

Depreciation of physical properties is calculated on the straight-line method over the estimated useful lives.

A summary of property and equipment and their cost and estimated useful lives follows:

<u>CATEGORY</u>	<u>ESTIMATED COST</u>	<u>USEFUL LIFE</u>
Furniture & office equipment	\$13,965	5-10 years
Buildings	46,878	20 years
Land	10,000	N/A
Leasehold Improvements	<u>8,323</u>	20 years
	79,166	
Less: Accumulated Depreciation	<u>8,959</u>	
Total	<u>\$70,207</u>	

There is a depreciation expense of \$5,295 related to the use of fixed assets for 1996.

CHEZ HOPE, INC.
FRANKLIN, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
June 30, 1996

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Chez Hope, Inc. is a nonprofit organization which provides emergency assistance to battered persons and their children.

A summary of Chez Hope, Inc.'s significant accounting policies applied in the preparation of the accompanying financial statements follows:

Promises To Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Contributed Services

During the years ended June 30, 1996 and 1995, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization at their facilities.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method.

Financial Statement Presentation

In 1996, the Organization elected to adopt 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

CHEZ HOPE, INC.
FRANKLIN, LOUISIANA

STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net increase in fund balance	\$(14,340)	\$ 8,590
Adjustments to reconcile net increase in fund balance to net cash provided by operating activities--		
Depreciation	5,295	2,684
Changes in operating assets and liabilities--		
(Increase) decrease in accounts receivable	(2,900)	-
(Increase) Decrease in state grant receivable	2,294	(6,534)
(Increase) Decrease in federal grant receivable	(2,417)	3,277
(Increase) Decrease in United Way receivable	27,254	3,956
(Increase) Decrease in prepaid expenses	469	115
Increase (Decrease) in accounts payable	(4,796)	9,877
Increase (Decrease) in payroll taxes payable	<u>(2,112)</u>	<u>5,118</u>
NET CASH FLOW PROVIDED BY OPERATING ACTIVITIES	<u>8,747</u>	<u>27,083</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of debt	5,000	34,030
Repayments of debt	<u>(5,037)</u>	<u>(375)</u>
NET CASH FLOW PROVIDED BY FINANCING ACTIVITIES	<u>(37)</u>	<u>33,655</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	<u>(10,591)</u>	<u>(62,913)</u>
NET INCREASE (DECREASE) IN CASH	(1,881)	(2,175)
CASH, Beginning of Year	<u>9,336</u>	<u>11,511</u>
CASH, End of Year	<u>\$ 7,455</u>	<u>\$ 9,336</u>

Subject to the comments contained in the Independent Auditors' report
and notes to financial statements which are an integral part hereof

CHEZ HOPE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 1995

	<u>Program</u>			<u>TOTAL</u>
	<u>Services</u>	<u>Supporting Services</u>		
	<u>Women and Children</u>	<u>Management and General</u>	<u>Fund raising</u>	
Audit fee	\$ 3,050	\$ 580	\$ -	\$ 3,630
Compensation and related expenses				
Compensation	78,686	47,084	-	125,770
Employee Benefits	6,973	2,832	-	9,805
Payroll taxes	7,276	3,685	-	10,961
Conference and training	2,951	1,010	-	3,961
Dues	660	-	-	660
Depreciation	977	1,707	-	2,684
Food and shelter	8,132	-	-	8,132
Insurance				
Property and Casualty	1,912	173	-	2,085
Worker's Compensation	1,230	452	-	1,682
Interest	1,014	-	-	1,014
Occupancy				
Electricity and water	3,128	-	-	3,128
Maintenance	4,850	-	-	4,850
Rent	3,580	-	-	3,580
Postage	-	1,413	-	1,413
Supplies				
Office	-	2,349	-	2,349
Other	6,679	640	3,102	10,421
Telephone	12,631	-	-	12,631
Travel	4,488	10,232	-	14,720
	<u>\$148,217</u>	<u>\$ 72,157</u>	<u>\$ 3,102</u>	<u>\$223,476</u>

Subject to the comments contained in the Independent Auditor's report and notes to financial statements which are an integral part hereof

CHEZ HOPE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 1996

	<u>Program</u>			<u>TOTAL</u>
	<u>Services</u>	<u>Supporting Services</u>		
	<u>Women and Children</u>	<u>Management and General</u>	<u>Fund-raising</u>	
Audit Fee	\$ 3,550	\$ -	\$ -	\$ 3,550
Compensation and related expenses				
Compensation	94,980	47,084	-	142,064
Employee benefits	11,359	2,832	-	14,191
Payroll taxes	9,733	3,685	-	13,418
Conference and training	3,379	793	-	4,172
Dues	398	-	-	398
Depreciation	2,725	2,570	-	5,295
Food and shelter	11,638	-	-	11,638
Insurance				
Property and Casualty	3,243	-	-	3,243
Worker's Compensation	1,150	452	-	1,602
Interest	3,066	-	-	3,066
Occupancy				
Electricity and Water	3,041	-	-	3,041
Maintenance	4,643	-	-	4,643
Rent	2,200	-	-	2,200
Postage	-	1,412	-	1,412
Supplies				
Office	-	2,879	-	2,879
Other	6,921	166	2,411	9,498
Telephone	17,779	-	-	17,779
Travel	3,896	9,351	-	13,247
	<u>\$183,701</u>	<u>\$71,224</u>	<u>\$ 2,411</u>	<u>\$257,336</u>

Subject to the comments contained in the Independent Auditors' report and notes to financial statements which are an integral part hereof

CHEZ HOPE, INC.
FRANKLIN, LOUISIANA

STATEMENTS OF ACTIVITIES
For the Years Ended June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
<u>UNRESTRICTED NET ASSETS</u>		
Support		
Business Organizations	\$ 8,099	\$ 4,956
Churches	315	356
Federal financial assistance	58,808	53,948
State and local financial assistance	142,002	112,468
United Way	26,311	54,500
Foundations	775	-
Individuals	1,937	1,361
Special events and other	<u>4,749</u>	<u>4,477</u>
TOTAL UNRESTRICTED SUPPORT	<u>\$242,996</u>	<u>\$232,066</u>
 <u>EXPENSES</u>		
Program Services	183,701	148,217
Supporting services		
Management and general	71,224	72,157
Fund-raising	<u>2,411</u>	<u>3,102</u>
TOTAL EXPENSES	<u>257,336</u>	<u>223,476</u>
 INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	 (14,340)	 8,590
 NET ASSETS AT BEGINNING OF YEAR, as restated	 <u>77,235</u>	 <u>68,645</u>
 FUND BALANCE, end of year	 <u>\$ 62,895</u>	 <u>\$ 77,235</u>

Subject to the comments contained in the Independent Auditors' report
and notes to financial statements which are an integral part hereof

CHEZ HOPE, INC
FRANKLIN, LOUISIANA

STATEMENTS OF FINANCIAL POSITION
June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 7,455	\$ 9,336
Unconditional promises to give		
Unrestricted	29,202	53,433
Prepaid expenses	-	469
Property and equipment	<u>70,207</u>	<u>64,911</u>
TOTAL ASSETS	<u>\$106,864</u>	<u>\$128,149</u>
 <u>LIABILITIES</u>		
Accounts payable	\$ 10,351	\$ 17,259
Long term debt	<u>33,618</u>	<u>33,655</u>
TOTAL LIABILITIES	<u>\$ 43,969</u>	<u>\$ 50,914</u>
 <u>NET ASSETS, as restated</u>		
Unrestricted	<u>\$ 62,895</u>	<u>\$ 77,235</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$106,864</u>	<u>\$128,149</u>

Subject to the comments contained in the Independent Auditors' report
and notes to financial statements which are an integral part hereof

GUIDRY & CHAUVIN
CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL ACCOUNTING CORPORATION
P. O. BOX 1028 - 1013 MAIN STREET
FRANKLIN, LOUISIANA 70538

318 - 828-0272
FAX 318 - 828-0290

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Chez Hope, Inc.
Franklin, Louisiana 70538

We have audited the accompanying statements of financial position of Chez Hope, Inc. (a non-profit organization) as of June 30, 1996 and 1995, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of Chez Hope, Inc's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions." Those standards and OMB Circular A-133 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 significant estimates made by management, as well as evaluating the overall financial statements 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 Chez Hope, Inc. as of June 30, 1996 and 1995, and the changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Guidry & Chauvin
Certified Public Accountants

Franklin, Louisiana
December 10, 1996

FINANCIAL INFORMATION

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