

ROTHBARD HOUSE

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 1996

	Rothbard House I	Rothbard House II	Rothbard House III	Rothbard House IV
Public support and revenue				
Public support:				
Contributions-Non 501(c)(3)	-	-	-	-
Government grants:				-
Louisiana Department of Corrections	254,668	294,310	289,487	208,797
Office of Community Services	7,234	68,136	28,533	55,000
Louisiana Commission on Law Enforcement	1,450	159	-	-
Louisiana Department of Education	-	-	-	-
City of Shreveport	-	-	-	-
Caddo Parish School Board	-	-	-	-
Total public support	<u>263,352</u>	<u>363,115</u>	<u>318,020</u>	<u>263,797</u>
Revenue:				
Interest	-	-	-	-
Fund-raising, net of \$16,299 in expenses	-	-	-	-
Other	-	-	-	-
Total public support and revenue	<u>263,352</u>	<u>363,115</u>	<u>318,020</u>	<u>263,797</u>
Expenses:				
Salaries:				
Administrative	-	-	-	-
Administrative assistant	-	-	-	-
Program director	18,875	18,450	23,984	30,287
Children workers	31,639	43,978	40,369	33,036
Retail staff	1,681	19,812	2,828	8,895
Office manager	-	-	-	-
Secretary	-	-	-	-
Counselor	59,817	20,944	45,186	22,531
Cooks	-	-	-	-
Magazine editor	-	-	-	-
Maintenance personnel	-	-	-	-
ITPA supervisor	-	-	-	-
Business	1,876	1,450	3,179	1,300
Maid	-	-	-	-

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

RUTHERFORD HOUSE

NOTES TO FINANCIAL STATEMENTS

AT JUNE 30, 1996

1. Nature of Business

For the year ending June 30, 1996, five homes, four for boys and one for girls, were operated for delinquent children. The children are usually placed in the home by juvenile courts. Rutherford House also operates a tutoring program for the children. Rutherford House receives substantially all of its income from state and local government grants, generally under third-party reimbursement plans, and is a not for profit entity exempt from federal income taxation under Internal Revenue Code Section 501(c)(3).

2. Summary of Significant Accounting Policies

a) Financial Statement Presentation:

During the year ended June 30, 1996, Rutherford House adopted Statement of Financial Accounting Standards (SFAS) No. 113, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, Rutherford House is required to report information regarding its financial position and activities based on the absence or existence of donor-imposed restrictions. Accordingly, net assets of Rutherford House and changes therein may be classified and reported as follows:

Unrestricted net assets-Net assets that are not subject to donor-imposed stipulations. Some unrestricted net assets may be designated by the Board for specific purposes.

Temporarily restricted net assets-Net assets subject to donor-imposed stipulations that may or will be met by actions of Rutherford House, and/or by the passage of time.

Permanently restricted net assets-Net assets subject to donor-imposed stipulations that they be maintained permanently by Rutherford House. Generally, donors permit all or part of the income earned on these assets to be used for general or specific purposes.

There were no significant temporarily or permanently restricted net assets at June 30, 1996.

b) Contributions:

Rutherford House also adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made," in 1990. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor-imposed restrictions.

c) Expenses 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 restrictive expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Rutherford House uses the allowance method to determine uncollectible unconditional promises receivable, when material. The allowance is based on prior years' experience and management's analysis of specific promises made.

RUTHERFORD HOUSE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 1998

	<u>Rutherford House I.</u>	<u>Rutherford House II.</u>	<u>Rutherford House III.</u>	<u>Rutherford House IV.</u>
Cash flows from operating activities:				
Change in net assets	181,193	214,588	171,327	136,110
Adjustments to reconcile excess (deficiency) of public support and revenues over expenses to net cash provided (used)				
by operating activities:				
Loss on sale of fixed asset	-	-	-	-
Depreciation	-	-	-	-
(Increase) decrease in accounts receivable	(32,414)	(32,893)	(24,111)	(11,864)
(Increase) decrease in prepaid expenses	383	383	383	383
Increase (decrease) in accounts payable	-	-	-	-
Increase (decrease) in payroll withholdings	-	-	-	-
Increase (decrease) in deferred income	-	-	-	-
Total adjustments	<u>(31,021)</u>	<u>(32,510)</u>	<u>(23,728)</u>	<u>(21,481)</u>
Net cash (used) by operating activities	150,172	181,998	147,600	114,629
Cash flows from investing activities:				
Purchase of fixed assets	-	-	-	-
Proceeds from dispositions	-	-	-	-
Purchase of investments	-	-	-	-
Proceeds from maturities of investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash (used) by investing activities	-	-	-	-
Cash flows from financing activities:				
Payment of notes payable	-	-	-	-
Transfers	<u>(181,193)</u>	<u>(214,588)</u>	<u>(171,327)</u>	<u>(136,110)</u>
Net increase (decrease) in cash and cash equivalents	-	-	-	-
Cash and cash equivalents at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents at end of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Supplemental disclosures:				
Interest paid	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

RUTHERFORD HOUSE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 1996

	<u>Rutherford</u> <u>House I</u>	<u>Rutherford</u> <u>House II</u>	<u>Rutherford</u> <u>House III</u>	<u>Rutherford</u> <u>House IV</u>
Other income:				
Donations and subscriptions	-	-	-	-
Director's expense	-	-	-	-
Depreciation	-	-	-	-
Accounting and legal fees	-	-	-	-
Nonreimbursable expenses	-	-	-	-
Less on sale of fixed assets	-	-	-	-
Total expenses	<u>185,180</u>	<u>138,892</u>	<u>145,723</u>	<u>121,127</u>
Change in net assets	133,173	314,508	172,327	136,116
Net assets—beginning of year:	69,248	22,818	25,435	28,003
Transfers:				
Disposal of fixed assets	-	-	-	-
Purchase of fixed assets	(1,871)	(2,368)	(13,693)	(5,387)
Other	<u>(81,323)</u>	<u>(178,838)</u>	<u>(134,385)</u>	<u>(105,623)</u>
Total	<u>(83,194)</u>	<u>(181,206)</u>	<u>(148,078)</u>	<u>(111,010)</u>
Net assets—end of year	<u>\$1,054</u>	<u>\$6,612</u>	<u>\$7,357</u>	<u>\$16,893</u>

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

<u>Bartholomew</u> <u>County, N.</u>	<u>Office and</u> <u>School</u>	<u>Carlow</u> <u>Program</u>	<u>Fixed</u> <u>Assets</u>	<u>Total</u>
-	100,800	3,770	-	100,580
-	2,536	-	-	2,536
4,508	22,576	1,548	-	28,632
-	11,889	-	-	11,889
3,223	21,918	-	-	25,141
76	32,860	-	-	32,936
-	15,584	813	-	16,397
98	15,261	-	-	15,359
-	12,292	-	-	12,292
90	8,888	-	-	9,122
-	899	-	-	899
488	3,439	-	-	5,627
189	24,629	-	-	25,188
229	1,871	-	-	3,289
3,582	112,735	-	-	132,546
-	3,738	-	-	3,738
1,288	21,262	-	-	42,856
-	572	-	-	572
431	6,846	-	-	8,479
285	15,538	-	-	25,865
2,030	12,323	6	-	15,362
-	8,429	-	-	8,429
-	-	-	-	-
280	4,806	-	-	5,822
545	2,973	-	-	4,893
226	3,499	-	-	4,793
-	2,868	-	-	2,868
4,244	12,162	-	-	22,132
3,435	-	-	-	17,138
-	376	-	-	8,808
300	239	-	-	1,863
-	42,191	-	-	42,191
-	9,129	-	-	9,129
-	5,979	-	-	9,282
-	87,292	-	-	87,889
578	378	-	-	2,311
530	808	-	-	2,418
877	-	-	-	6,451

1. Summary of Significant Accounting Policies—(Continued)

d) 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 these estimates.

e) Fixed Assets:

Property and equipment are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the following estimated useful lives:

Asset	Estimated Life
Furniture, fixtures, and equipment	5-10 years
House improvements	10-20 years
Buildings	70 years

Donated property and equipment are reported at their estimated fair market value at the date of gift. All expenditures for fixed assets in excess of \$150 are capitalized.

f) Cash Equivalents:

For purposes of the statement of cash flows, Rutherford House considers all cash on hand and demand deposits with banks to be cash equivalents.

g) Advertising Costs:

Costs of advertising are expensed as incurred.

2. Cash:

Rutherford House holds approximately \$3,200 at June 30, 1996, in various interest-bearing accounts on behalf of individual children. These monies have been earned by the children in various fund-raising activities, and are not included in the accounts of Rutherford House.

4. Investments:

Investments are summarized as follows at June 30, 1996:

	Book Value	Market Value	Unrealized Gain
U.S. Treasury bills, 5.17%	108,835	109,342	507
Certificate of Deposit, 4.50%	<u>35,000</u>	<u>35,000</u>	-
	<u>143,835</u>	<u>144,342</u>	<u>507</u>

3. Fixed Assets:

The book value of fixed assets consists of:

	Cost or Donated Value
Land	85,000
Rutherford House I and improvements	94,968
Rutherford House II and improvements	212,508
Rutherford House III and improvements	189,123
Rutherford House IV and improvements	89,168

Rutherford Home X	Office and School	Curfew Program	Fixed Assets	Total
-	89,284	-	-	89,284
-	-	-	-	1,007,233
153,388	61,980	-	-	215,368
-	98,187	-	-	98,187
-	53,126	-	-	53,126
-	88,654	35,440	-	124,094
-	28,513	-	-	28,513
<u>153,388</u>	<u>308,814</u>	<u>58,440</u>	<u>-</u>	<u>1,978,378</u>
-	9,837	-	-	9,837
-	9,633	-	-	9,633
-	17,082	-	-	17,082
<u>153,388</u>	<u>387,566</u>	<u>58,440</u>	<u>-</u>	<u>2,086,888</u>
-	57,328	-	-	57,328
-	19,494	-	-	19,494
21,666	28,362	12,999	-	114,883
48,134	63,616	77,838	-	379,671
4,134	18,334	130	-	59,639
-	23,545	-	-	23,545
-	58,379	-	-	58,379
78,488	43,839	7,594	-	372,640
-	42,180	-	-	42,180
-	8,130	-	-	8,130
-	34,415	-	-	34,415
-	6,439	-	-	6,439
2,925	15,885	808	-	27,125
-	3,640	-	-	3,640

<u>Reimbursed Honor Y.</u>	<u>Office and School</u>	<u>Custom Program</u>	<u>Fixed Assets</u>	<u>Total</u>
172,182	(678,110)	18,762	(82,831)	68,289
-	-	-	1,065	1,065
-	-	-	91,566	91,566
(8,033)	(1,484)	(9,788)	-	(19,405)
384	384	383	-	1,441
-	(9,491)	-	-	(9,491)
-	(241)	-	-	(241)
-	1,087	-	-	1,087
<u>(7,669)</u>	<u>(19,733)</u>	<u>(9,397)</u>	<u>92,631</u>	<u>(36,102)</u>
164,483	(688,883)	6,365	-	28,521
-	-	-	(82,707)	(82,707)
-	-	-	790	790
-	(144,387)	-	-	(144,387)
-	117,837	-	-	117,837
-	(24,833)	-	(81,817)	(106,749)
-	-	-	(20,538)	(20,538)
<u>(164,483)</u>	<u>614,869</u>	<u>6,365</u>	<u>187,483</u>	<u>-</u>
-	(108,748)	-	-	(108,748)
-	117,361	-	-	117,361
-	16,413	-	-	16,413
-	123	-	8,812	8,812

<u>Barberland House M.</u>	<u>Office and School</u>	<u>Carlow Program</u>	<u>Fixed Assets</u>	<u>Total</u>
-	16,413	-	-	16,413
-	144,382	-	-	144,382
84,036	43,212	19,480	-	303,629
<u>1,312</u>	<u>1,312</u>	<u>1,312</u>	-	<u>9,188</u>
15,318	207,319	20,792	-	473,609
-	-	-	608,400	608,400
<u>15,318</u>	<u>207,319</u>	<u>20,792</u>	<u>608,400</u>	<u>1,081,995</u>
-	40,585	-	-	40,585
-	-	-	23,062	23,062
-	<u>9,212</u>	-	<u>248</u>	<u>9,500</u>
-	49,837	-	23,310	73,167
-	-	-	64,518	64,518
-	49,857	-	87,828	137,685
<u>15,318</u>	<u>157,442</u>	<u>20,792</u>	<u>530,572</u>	<u>944,129</u>
<u>15,318</u>	<u>207,319</u>	<u>20,792</u>	<u>608,400</u>	<u>1,081,995</u>

RUTHERFORD HOUSE
STATEMENT OF FINANCIAL POSITION
JUNE 30, 1998

A S S E T S	Rutherford House I	Rutherford House II	Rutherford House III	Rutherford House IV
CURRENT ASSETS				
Cash-Note 3	-	-	-	-
Investments-Note 4	-	-	-	-
Accounts receivable-Note 7	49,967	99,168	43,864	47,972
Prepaid expenses	1,312	1,312	8,312	1,312
Total current assets	51,279	100,480	52,176	49,284
Book value of fixed assets-Notes 5 and 6	-	-	-	-
Total assets	51,279	100,480	52,176	49,284
LIABILITIES AND NET ASSETS				
Current liabilities				
Accounts payable	-	-	-	-
Notes payable-current portion-Note 6	-	-	-	-
Other current liabilities	-	-	-	-
Total current liabilities	-	-	-	-
Long-term liabilities:				
Notes payable less portion classified as current-Note 6	-	-	-	-
Total liabilities	-	-	-	-
Net assets-unrestricted	51,279	100,480	52,176	49,284
Total liabilities and net assets	51,279	100,480	52,176	49,284

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

HEARD, McELROY & VESTAL, L.L.P.

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August 1, 1996

The Board of Directors
Rutherford House
Shreveport, Louisiana

Independent Auditor's Report

We have audited the accompanying statement of financial position of Rutherford House at June 30, 1996, and the related statements of activities 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 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 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 Rutherford House at June 30, 1996, and the results of its operations and cash flows for the year then ended, in conformity with generally accepted accounting principles.

As discussed in Note 2 to the financial statements, Rutherford House changed its method of accounting for contributions and its method of financial reporting and financial statement presentation during the year ended June 30, 1996.

In accordance with Government Auditing Standards, we have also issued a report dated August 1, 1996 on our consideration of Rutherford House's internal control structure and a report dated August 1, 1996 on its compliance with laws and regulations.

Heard, McElroy + Vestal, L.L.P.

AUDITED FINANCIAL STATEMENTS

RUTHERFORD HOUSE
SHREVEPORT, LOUISIANA

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RUTHERFORD HOUSE
SHREVEPORT, LOUISIANA

JUNE 26, 1956

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the Auditor, or retained, 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: NOV 20 1956

RUTHERFORD HOUSE

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 1998

	<u>Rutherford</u> <u>House I.</u>	<u>Rutherford</u> <u>House II.</u>	<u>Rutherford</u> <u>House III.</u>	<u>Rutherford</u> <u>House IV.</u>
EXPENSES: (Continued)				
Fringe benefits	-	-	-	-
Travel	-	-	-	-
Utilities	2,240	2,642	2,212	2,288
Telephone	-	-	-	-
Vehicle expense	954	2,120	2,768	2,480
Insurance	-	-	-	-
Supplies:				
Office	-	-	-	-
Kitchen	177	162	17	271
School	-	-	-	-
Health and hygiene	(75)	265	147	147
Therapeutic	-	-	-	-
Medical	480	648	264	297
Cleaning	15	80	62	182
Bed linen	54	318	272	299
Food	4,879	3,627	3,879	4,234
Donated	-	-	-	-
Maintenance	484	2,652	2,814	4,884
Uniforms	-	-	-	-
Recreation	104	429	288	275
Repairs	2,628	2,829	1,800	1,772
Contractual services	100	182	262	100
Shop expense	-	-	-	-
Summer School instructor	-	-	-	-
Personnel training	476	160	158	20
Recreation	-	112	148	718
Medical treatment	84	402	116	486
Donated equipment	-	-	-	-
Clothes replacement	728	2,242	1,297	2,281
Allowances	2,227	2,264	2,427	2,276
Interest	-	-	-	2,227
Post control	280	300	280	284
Donated services	-	-	-	-
Newsletter	-	-	-	-
Miscellaneous	519	282	-	280
Taxes	-	-	-	-
Work study	2,289	1,024	604	446
Licensing and certification fee	220	280	220	268
Hair styling	800	2,748	1,172	282

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

OTHER REPORTS

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal award programs in the following categories: general requirements, specific requirements, claims for advances and reimbursements, and amounts used for matching. For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended June 30, 1998, Rutherford House had no major programs and expended 12.1% percent of its total federal awards under the following major programs: U.S. Department of Labor-ITPA Contracts and U.S. Department of Agriculture-School Food Service and Donated Food Commodities.

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 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 each of the organization's major federal award programs, which are identified in the accompanying Schedule of Federal Awards, and the aforementioned nonmajor program. 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.

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 constitute material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a 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 awards program 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 structure and its operations that we consider to be material weaknesses as defined above.

This report is intended for the information of the board of directors, management, and the U. S. Departments of Labor, Justice, Agriculture and Education. However, this report is a matter of public record and its distribution is not limited.

Heard, McElroy + Ventral, LLP

HEARD, McELROY & VESTAL, L.L.P.

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THOMAS B. McELROY, C.P.A.

August 1, 1986

The Board of Directors
Rutherford House
Shreveport, Louisiana

Report on the Internal Control Structure Used in Administering Federal Awards

We have audited the financial statements of Rutherford House, as of and for the year ended June 30, 1986, and have issued our report thereon dated August 1, 1986.

We conducted our audits in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-133, *Audit 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 and about whether Rutherford House complied with laws and regulations, non-compliance with which would be material to a major federal award program.

In planning and performing our audits for the year ended June 30, 1986, we considered Rutherford House's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinions on Rutherford House's financial statements and on its compliance with requirements applicable to major programs, and to report on the internal control structure in accordance with OMB Circular A-133. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal award programs. We have addressed policies and procedures relevant to our audit of the financial statements in a separate report dated August 1, 1986.

The management of Rutherford House 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 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, the transactions are recorded in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that federal award programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure in 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.

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. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of the board of directors, management, and the U. S. Departments of Labor, Justice, Agriculture and Education. However, this report is a matter of public record and its distribution is not limited.

Richard M. Elroy & Vastal, LLP

HEARD, McELROY & VESTAL, L.L.P.

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August 3, 1996

The Board of Directors
Rutherford House
Shreveport, Louisiana

Report on Compliance With Specific Requirements Applicable to Nonmajor Program Transactions

We have audited the financial statements of Rutherford House as of and for the year ended June 30, 1996, and have issued our report thereon dated August 3, 1996.

In connection with our audit of the financial statements of Rutherford House and with our consideration of Rutherford House's internal control structure used to administer federal awards programs, as required by Office of Management and Budget (OMB) Circular A-133, *Audits of Institutions of Higher Education and Other Nonmajor Institutions*, we selected certain transactions applicable to certain nonmajor federal awards programs for the year ended June 30, 1996.

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

With respect to the items tested, the results of these 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 Rutherford House had not complied, in all material respects, with these requirements.

This report is intended for the information of the board of directors, management, and the U. S. Departments of Labor, Justice, Agriculture and Education. However, this report is a matter of public record and its distribution is not limited.

Heard, McElroy & Vestal, LLP

<u>Subscribed</u> <u>House No.</u>	<u>Office and</u> <u>School</u>	<u>Carline</u> <u>Program</u>	<u>Fixed</u> <u>Assets</u>	<u>Total</u>
-	2,500	-	-	2,500
-	1,134	-	-	1,134
-	-	-	61,566	61,566
-	15,500	-	-	15,500
-	2,450	-	-	2,450
-	-	-	1,865	1,865
<u>181,051</u>	<u>1,873,417</u>	<u>67,628</u>	<u>93,611</u>	<u>1,995,529</u>
172,082	(678,111)	10,782	(63,610)	68,149
27,669	328,613	16,195	318,758	676,031
-	398	-	(798)	-
(2,812)	(58,372)	-	62,307	-
<u>766,929</u>	<u>668,342</u>	<u>(6,382)</u>	<u>28,328</u>	<u>-</u>
<u>(138,812)</u>	<u>838,373</u>	<u>10,030</u>	<u>(11,203)</u>	<u>676,031</u>
<u>38,338</u>	<u>157,462</u>	<u>20,782</u>	<u>328,372</u>	<u>544,954</u>

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August 1, 1996

The Board of Directors
Rutherford House
Stuyvesport, Louisiana

Compliance Report Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

We have audited the financial statements of Rutherford House as of and for the year ended June 30, 1996, and have issued our report thereon dated August 1, 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. Those standards 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 Rutherford House is the responsibility of management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of Rutherford House'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 the board of directors, management, and the U. S. Departments of Labor, Justice, Agriculture and Education. However, this report is a matter of public record and its distribution is not limited.

Heard, McElroy & Vestal, LLP

5. Fixed Assets

	<u>Cost or Donated Value</u>
Rutherford House V and improvements	45,785
Glenn Oaks property and improvements	68,250
Auto garage improvements and equipment	796
Furniture and fixtures	305,187
Vehicles	349,276
Shop equipment	33,628
School equipment	98,595
Office and school, building and improvements	458,667
Power saw equipment	11,223
Total cost or donated value	1,758,805
Less accumulated depreciation	(1,138,955)
Book value of fixed assets	<u>619,850</u>

Included in land above are donated lots valued in total at \$7,000, sold by Rutherford House for investment.

6. Notes Payable

The notes payable is as follows:

<u>Creditor</u>	<u>Terms</u>	<u>Amount</u>
Frontier Bank	8.25%, \$2,400 per month including interest, maturing November 1999	87,240
Long-term classified as current		23,062
Long-term notes payable		<u>64,538</u>

The above notes is secured by Administrative and School Building with improvements, and Rutherford House IV, having an approximate book value of \$115,000 at June 30, 1996.

Maturities for the next five years are as follows:

1997	23,062
1998	24,650
1999	26,146
2000	12,780
2001	-
Total	<u>86,638</u>

7. Receivables

Receivables are summarized by source as follows:

State of Louisiana	270,491
Caddo Parish School Board	983
City of Shreveport	28,135
Other	4,017
Total	<u>303,626</u>

RUTHERFORD HOUSE

SCHEDULE OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 1996

<u>Federal Grantor/Pass Through Agency/Program Title</u>	<u>CFDA Number</u>	<u>Grant Revenue</u>	<u>Grant Expenditure</u>
<u>U. S. Department of Education</u> <u>Passed through Catholic Parish School Board:</u>			
<u>Services for the Neglected and Needy—Chapter 1-1996</u>	<u>84.010</u>	<u>17,428</u>	<u>17,428</u>
<u>Total Federal Awards</u>		<u>201,484</u>	<u>201,484</u>

8. **Fair Values of Financial Instruments.**

Rutherford House's financial instruments consist of cash, investments, receivables, current payables, and a note payable. Fair values of investments are disclosed at Note 4. Because of their relatively short maturities and/or current interest rates, carrying values of cash, receivables and all payables approximate their fair values at June 30, 1996.

9. **Contributed Services.**

Contributed services include approximately 140,000 of time provided, substantially all by the resident youth of the homes, to repair, maintain and otherwise enhance the physical facilities of Rutherford House. Such services also include approximately \$2,500 in donated professional accounting services.

10. **Conditional Promises.**

Conditional promises consist of unfunded portions of approved governmental awards, either currently in effect or approved for commencement after June 30, 1996. Future funding of such awards is conditioned upon Rutherford House's operation of certain programs, incurrence of certain costs, and meeting certain matching requirements. Because such awards represent conditional promises to Rutherford House, they have not been recognized in the financial statements at June 30, 1996. Such conditional promises amounted to approximately \$905,000 at June 30, 1996.

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August 1, 1996

The Board of Directors
Rutherford House
Shreveport, Louisiana

Independent Auditor's Report on
Supplementary Information-Schedule of Federal Awards

We have audited the financial statements of Rutherford House as of and for the year ended June 30, 1996, and have issued our report thereon dated August 1, 1996. These financial statements are the responsibility of the management of Rutherford House. 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 Government Auditing Standards, issued by the Comptroller General of the United States. These 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 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.

Our audit was made for the purpose of forming an opinion on the financial statements of Rutherford House, 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 financial statements. The information in that Schedule has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Heard, McElroy - Ventura, L.L.P.

- 1997). The authors also noted that the use of a single, unidimensional measure of self-esteem may not be sufficient to capture the complexity of self-esteem, and that the use of multiple measures may be more appropriate.
20. In the present study, we used a single measure of self-esteem, the Rosenberg Self-Esteem Scale (Rosenberg, 1965). While this measure is widely used and has good psychometric properties, it is possible that the use of multiple measures of self-esteem would have provided a more comprehensive assessment of self-esteem. However, given the focus of the present study on the relationship between self-esteem and self-esteem interventions, the use of a single measure was deemed appropriate.
21. The present study used a single measure of self-esteem, the Rosenberg Self-Esteem Scale (Rosenberg, 1965). While this measure is widely used and has good psychometric properties, it is possible that the use of multiple measures of self-esteem would have provided a more comprehensive assessment of self-esteem. However, given the focus of the present study on the relationship between self-esteem and self-esteem interventions, the use of a single measure was deemed appropriate.

SUPPLEMENTARY INFORMATION

Supplementary information for this article can be found at <http://www.blackwell-synergy.com/doi/full/10.1111/j.1469-7610.2012.02611.x>.

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RUTHERFORD HOUSE

SCHEDULE OF FEDERAL AWARDS

FOR THE YEAR ENDING JUNE 30, 1996

<u>Federal Grants/Pass-Through Grants/Program Title</u>	<u>CFDA Number</u>	<u>Grant Revenue</u>	<u>Grant Expenditures</u>
<u>U. S. Department of Labor:</u>			
<u>Passed through City of Shreveport:</u>			
ITPA Contract No. 05000	17.246-17.250	30,000	30,000
ITPA Contract No. 05805	17.246-17.250	34,008	34,008
ITPA Contract No. 06800	17.246-17.250	2,620	2,620
Total U. S. Department of Labor		66,628	66,628
<u>U. S. Department of Justice:</u>			
<u>Passed through Louisiana Commission on Law Enforcement:</u>			
LYCIC Newsletter-1995	16.540	12,155	12,155
LYCIC Newsletter-1996	16.540	7,612	7,612
Family Strengthening	16.540	30,054 29,841	30,054 29,841
Child Abuse Counselor-1994	16.575	2,181	2,181
Child Abuse Counselor-1995	16.575	6,595 8,286	6,595 8,286
Total U. S. Department of Justice		58,747	58,747
<u>U. S. Department of Agriculture:</u>			
<u>Passed through Louisiana Department of Education:</u>			
School Food Service	16.555	55,126	55,126
<u>Passed through Louisiana Department of Agriculture and Forestry:</u>			
Dormed Food Commodities	16.555	2,522	2,522
Total U. S. Department of Agriculture		57,648	57,648

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August 1, 1986

The Board of Directors
Rutherford House
Shreveport, Louisiana

Report on Compliance With General Requirements

We have audited the financial statements of Rutherford House as of and for the year ended June 30, 1986, and have issued our report thereon dated August 1, 1986.

We have applied procedures to test Rutherford House'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, 1986: political activity, civil rights, cash management, financial reports, allowable costs and cost principles, and administrative requirements.

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's Compliance Requirements for Audit of Institutions of Higher Learning and Other Nonprofit Institutions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Rutherford House'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 those 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 Rutherford House had not complied, in all material respects, with those requirements.

This report is intended for the information of the board of directors, management, and the U. S. Departments of Labor, Justice, Agriculture and Education. However, this report is a matter of public record and its distribution is not limited.

Howard McIlroy + Vestal, LLP