

**HOPE HOUSE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 1997**

FINDINGS # 3: PERSONNEL FILES

QUESTIONED COST: NOT APPLICABLE

CONDITION:

During our audit it was noted that Hope House, Inc. did not maintain sufficient documentation in employee files.

EFFECT OF CONDITION:

The effect of this condition is that it is indeterminable as to whether or not all employees are notified of Political Activity and Civil Rights compliance.

CRITERIA:

The general compliance requirements state that all employees should be made aware of political activity and civil rights compliance issues. Employees may not participate in any political activity and must be made aware of all civil rights issues that affect them directly as employees of Hope House, Inc.

RECOMMENDATION:

We recommend that the organization maintain a signed acknowledgment of the policy from each employee to be kept in employee personnel files for future reference.

HOPE HOUSE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 1987

FINDINGS #1: ACCOUNTING SYSTEM

QUESTIONED COST: NOT APPLICABLE

CONDITION:

A review of the accounting system noted the following:

1. In some instances business transactions were performed without corresponding journal entries.
2. Explanations accompanying the monthly journal entries were inadequate in a number of instances.

EFFECT OF CONDITION:

The effect of this condition is the possible misstatement of amounts on the organization's financial statements.

RECOMMENDATION:

We recommend that all business transactions be reflected in the accounting records by journal entries. Full explanation and adequate supporting data should accompany journal entries.

**HOPE HOUSE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 1997**

FINDINGS # 1: DRUG-FREE WORKPLACE POLICY

QUESTIONED COST: NOT APPLICABLE

CONDITION:

During our audit it was noted that Hope House, Inc. did not maintain the published Drug-Free Workplace policy.

EFFECT OF CONDITION:

The effect of this condition is that it is indeterminable as to whether or not all employees are notified of the Drug-Free Workplace Policy.

CRITERIA:

The general requirement located in the "Compliance Supplement for Non-for-Profit and Educational Institutions" states: "All recipients receiving grants, including cooperative agreements, from any Federal agency must certify to the agency that his or her conduct of grant activity will be drug-free. The recipient certifies that it will provide a drug-free workplace by: publishing a policy statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of controlled substances is prohibited in the grantee's workplace and specifying that serious will be taken against the employee for violation of such prohibitions."

RECOMMENDATION:

We recommend that the organization maintain a signed acknowledgment of the policy from each employee to be kept in employee personnel files for future reference.

This report is intended for the information of Hope House, Inc.'s Board of Directors, management, the City of New Orleans and Legislative Auditor of the State of Louisiana. However, this report is a matter of public record, and its distribution is not limited.



New Orleans, Louisiana
November 15, 1993



LUTHER C. SPEIGHT & COMPANY

A Corporation of Certified Public Accountants
and Management Consultants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR FEDERAL AWARD PROGRAMS

To the Board of Directors of
Hope House, Inc.

We have audited the financial statements of Hope House, Inc. (the Organization) (a nonprofit Organization) as of and for the fiscal year ended June 30, 1997, and have issued our report thereon dated November 15, 1997.

We have also audited the compliance of the Organization with the requirements governing types of revenues allowed or unallowed; eligibility, matching, level of effort, or awarding; reporting; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal award programs, which are identified in the accompanying Schedule of Federal Awards, for the fiscal year ended June 30, 1997. The management of Hope House, Inc. is responsible for the organization's compliance with these requirements. Our responsibility is to express an opinion on compliance with these requirements based on our audit.

We conducted our audit of compliance with these requirements 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." These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to in the second paragraph occurred. An audit includes examining, on a test basis, evidence about the organization's compliance with these requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed no material instances of noncompliance with the requirements referred to above.

In our opinion, Hope House, Inc. complied, in all material respects, with the specific requirements referred to in the second paragraph that are applicable to each of its major federal award programs for the fiscal year ended June 30, 1997.



LUTHER C. SPRIGHT & COMPANY

A Corporation of Certified Public Accountants
and Management Consultants

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

To the Board of Director's of
Hope House, Inc.

We have audited the financial statements of Hope House, Inc. (the Organization) (a non-profit Organization) as of and for the fiscal year ended June 30, 1993, and have issued our report thereon dated November 15, 1993.

We have applied procedures to test the Organization's compliance with the following requirements applicable to its federal award programs, which are identified in the accompanying Schedule of Federal Awards, for the fiscal year ended June 30, 1993: political activity, civil rights, allowable costs, Drug Free Workplace Act, Federal financial reports, 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 the Organization'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 one material instance 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 Hope House, Inc. had not complied, in all material respects, with those requirements. The following is a matter of material weakness as defined above:

- Drug-Free Workplace Policy

This report is intended for the information of the Organization's Board of Directors, management, the City of New Orleans and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record, and its distribution is not limited.

New Orleans, Louisiana
November 15, 1993

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 the Organization's ability to administer federal award programs in accordance with applicable laws and regulations.

- Accounting System Deficiencies
- Incomplete Personnel Files

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 amount 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 material weaknesses as defined above. We believe that the reportable conditions described above are material weaknesses.

This report is intended for the information of the Organization's Board of Directors, management, the City of New Orleans and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record, and its distribution is not limited.



New Orleans, Louisiana
November 15, 1997

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:

Accounting Controls:

- Grant Revenues and Cash Receipts
- Payables and Cash Disbursements
- General Ledger and Financial Reporting
- Grant Accounting

Controls used in administering compliance with Laws and Regulations:

General Requirements:

- Political Activity
- Civil Rights
- Drug-Free Workplace Act
- Federal Financial Reports
- Allowable Cost/Cost Principles
- Administrative Requirements

Specific Requirements:

- Types of Services
- Eligibility
- Advances and reimbursements
- Amounts claimed or used for matching as determined by the OMB Circular A-21 and other applicable cost principles or regulations that are applicable to each of its major programs
- Reporting

For all of the internal control structure categories listed in the preceding paragraph, 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 fiscal year ended June 30, 1997, the Center had one major program and expended 100 percent of its total federal awards under its major 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 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 major 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.



**INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL
CONTROL STRUCTURE USED IN ADMINISTERING FEDERAL AWARDS**

To the Board of Directors of
Hope House, Inc.

We have audited the financial statements of Hope House, Inc. (the Organization) (a nonprofit organization) as of and for the fiscal year ended June 30, 1997, and have issued our report thereon dated November 15, 1997.

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, "Audits of Institutions of Higher Education and Other Nonprofit Institutions." These standards and OMB Circular A-133 require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing our audits for the fiscal year ended June 30, 1997, we considered the internal control structure of Hope House in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements of the Organization 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 internal control structure policies and procedures relevant to our audit of the financial statements in a separate report dated November 15, 1997.

The management of the Organization 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, that 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 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.

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 the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

- Accounting System Deficiencies
- Incomplete Personnel Files

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 error 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 material weaknesses as defined above. 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 Organization's Board of Directors, management, the City of New Orleans and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record, and its distribution is not limited.



New Orleans, Louisiana
November 15, 1997



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT ACCOUNTING STANDARDS**

To the Board of Directors of
Hope House, Inc.

We have audited the financial statements of Hope House, Inc. (the Organization) (a nonprofit organization) as of and for the fiscal year ended June 30, 1997, and have issued our report thereon dated November 15, 1997.

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 (OMB) Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Organizations." These 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 the Organization 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 the Organization for the fiscal year ended June 30, 1997, 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.



LUTHER C. SPEIGHT & COMPANY

A Corporation of Certified Public Accountants
and Management Consultants

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT ACCOUNTING STANDARDS**

To the Board of Director of
Hope House, Inc.

We have audited the financial statements of Hope House, Inc. (the Organization) (a non-profit organization) as of and for the fiscal year ended June 30, 1997, and have issued our report thereon dated November 13, 1997.

We conducted our audit in accordance with generally accepted auditing standards and Government Accounting Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget (OMB) Circular A-133, "Audit of Institutions of Higher Education and Other Non-profit Organizations." 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 the grant fund is the responsibility of the Organization's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Organization'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 the following instances of noncompliance that are required to be reported under Government Accounting Standards for which the ultimate resolution cannot be determined. Accordingly, no provision for any liability that may result has been recognized in the Organization's 1997 financial statements.

- Drug-Free Workplace Policy

We considered these instances of noncompliance in forming our opinion on whether the Organization's 1997 financial statements for federal and state grants are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect our report dated November 13, 1997, on those financial statements.

This report is intended for the information of the Organization's Board of Directors, management, the City of New Orleans and its Legislative Auditor of the State of Louisiana. However, this report is a matter of public record, and its distribution is not limited.


New Orleans, Louisiana
November 13, 1997

HOPE HOUSE, INC.

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 1997**

1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

General - Hope House, Inc. (the Organization) is a nonprofit corporation which is located near the St. Thomas Housing Development, in New Orleans, Louisiana. The programs offered by the Organization are as follows: an adult learning center, emergency assistance for temporary needs, and assisting in locating permanent housing for the homeless.

The Organization receives its funding from grants and donations. The adult learning center is funded by grants from the Louisiana State Department of Education and the Office of Family Support. The case funding for emergency assistance program is provided by the Federal Emergency Management Agency through the United Way. Funding for the Family Transitional Housing program is provided through the Federal Emergency Management Agency from the City of New Orleans.

State of Accounting - The financial statements of the Organization are prepared on the accrual basis of accounting. Accordingly, revenues is recorded when earned and expenses are recorded when incurred.

HOPE HOUSE, INC.

**SCHEDULE OF FEDERAL AWARDS
 FOR THE GRANT PERIOD ENDED JUNE 30, 1995**

Federal Grant/ Pass Through Grantor	Federal CFDA Number	Expenses
Dept. of Housing & Neighborhood Development	14,219	\$ 46,717
FEMA	63,623	9,732
UNITY for the Homeless Emergency Shelter Grant	63,625	67,625
Dept. of Education Federal Domestic Assistance	64,002	58,182
Dept. of Social Services Office of Family Support	69,558	<u>37,370</u>
Total		\$ <u>199,626</u>

See Notes to the Financial Statements.



LUTHER C. SPEIGHT & COMPANY

A Corporation of Certified Public Accountants
and Management Consultants.

INDEPENDENT AUDITOR'S REPORT ON THE SCHEDULE OF FEDERAL AWARDS

To the Board of Directors of
Hope House, Inc.

We have audited the financial statements of Hope House, Inc. (the Organization) (a non-profit organization) for the fiscal year ended June 30, 1997, and have issued our report thereon dated November 15, 1997. 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, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget (OMB) Circular A-133, "Audit of Institutions of Higher Education and Other Non-profit Organizations." These 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 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 made for the purpose of forming an opinion on the basic financial statements of Hope House, Inc. taken as a whole. The accompanying Schedule of Federal Awards for the grant period from July 1, 1996 to June 30, 1997, which is also the responsibility of the Organization's management, is presented for purposes of additional analysis and is not a required part of the financial statements. The information in this schedule has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

This report is intended for the information of the Organization's Board of Directors, management, the City of New Orleans and the Legislative Auditor of the State of Louisiana. This is not intended to limit the distribution of this report, which is matter of public record.


New Orleans, Louisiana
November 15, 1997

SINGLE AUDIT REPORTS

1989 (cont'd)

STATEMENT OF REVENUES AND EXPENSES BY FUND
FOR THE YEAR ENDED JUNE 30, 1989

	Self-Learning Center	Income Center	Support Center	Family Transition Center	Food Service	Event	Recreation/ Club	Total
REVENUES								
Support:	18,490	14,800	18,118	88,808	28,419	1,000	98,899	487,718
EXPENSES								
Program Services:								
Administrative	5,275	50	1,434	1,824	8,478		14,999	18,802
Construction					1,237		1,237	18,034
Depreciation					8,198		78	8,271
Food Service Expense	1,899	50	1,887	41			1,479	1,478
Instruction							1,111	1,111
Materials	8,041		2,205				1,828	12,054
Salaries							1,828	1,828
Supplies							1,215	1,215
Travel		644					34	644
Utilities							1,487	1,487
Wages				1,000	1,000		49,204	51,204
Total Program Services	11,215	594	5,526	1,865	17,683		69,244	106,411
Support Services:								
Depreciation	14,421	1,348	1,040	19,495	10,891	1,871	28,116	19,495
Event Team	4,871	1,348	1,040	1,000	1,000	1,000	6,259	11,418
Food Service	1,040	50	1,000		200		2,240	2,240
Instruction	1,000	4,871	1,887	899	71		2,858	8,278
Materials	1,000	1,000	1,000	1,000	1,000		5,000	5,000
Salaries	1,000	1,000	1,000	1,000	1,000		5,000	5,000
Supplies	1,000	1,000	1,000	1,000	1,000		5,000	5,000
Travel	1,000	1,000	1,000	1,000	1,000		5,000	5,000
Utilities	1,000	1,000	1,000	1,000	1,000		5,000	5,000
Wages	1,000	1,000	1,000	1,000	1,000		5,000	5,000
Total Support Services	34,332	11,347	11,877	18,394	28,891	1,794	69,889	248,771
Total Expenses	45,547	11,442	17,403	19,259	46,574	1,794	139,133	355,182
Net Income	3,243	3,358	1,695	8,549	11,845	1,206	59,766	132,536

SUPPLEMENTAL SCHEDULES

5. NOTE PAYABLE

Note payable at June 30, 1997 consist of:

1% Note payable in monthly installments of \$250 (principal and interest), with final payment of \$1,529 due November 30, 1999.

This note payable is to be repaid through proceeds from private donations. The note has been paid down through June 30, 1997, and is not in default.

The principal payments due on the note payable are as follows:

<u>YEARS ENDING</u> <u>JUNE 30</u>	<u>PRINCIPAL AMOUNT OF</u> <u>NOTE TO BE LIQUIDATED</u>
1998	\$ 3,000
1999	3,000
2000	2,500
TOTAL	\$ 8,500

6. DONATIONS

This amount consist of various individual and business organization donations. Included is a one time corporate donation from the Sony Corporation in the amount of \$90,432. It should also be noted that none of these donations had any donor-imposed restrictions.

2. INVESTMENTS

The amortized cost and market value of investment securities are as follows at June 30, 1997:

	Amortized Cost	Market Value
Taxable Bonds	39,936	28,358
Money Fund	62,767	67,767
Common Stock	12,958	26,477
TOTAL	\$ 115,661	\$ 122,602

It is the Organization's intention to hold all taxable bonds to maturity.

3. DUE FROM EMPLOYEES

The Organization has several outstanding loans with various employees, ranging from one hundred (\$100) to five hundred eighty dollars (\$580). These loans have no stated rate of interest or specified payback period.

4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of June 30, 1997:

Land	\$ 57,800
Buildings and Leasehold Improvements	153,264
Furniture, Fixtures, and Equipment	21,042
Vehicles	64,546
	<u>296,652</u>
Less Accumulated Depreciation	<u>69,795</u>
TOTAL	\$ 226,857

HOPE HOUSE, INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED, JUNE 30, 1997**

1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

General - Hope House, Inc. (the Organization) is a nonprofit corporation which is located near the St. Thomas Housing Development, in New Orleans, Louisiana. The programs offered by the Organization are as follows, an adult learning center, emergency assistance for transitory needs, and assisting in locating permanent housing for the homeless.

The Organization receives its funding from grants and donations. The adult learning center is funded by grants from the Louisiana State Department of Education, the Office of Family Support and the Housing Authority of New Orleans. The case finding for emergency assistance program is provided by the Federal Emergency Management Agency through the United Way. Funding for the Family Transitional Housing program is provided through a Community Development Block Grant from the City of New Orleans.

Basis of Accounting - The financial statements of the Organization are prepared on the accrual basis of accounting. Accordingly, revenues is recorded when earned and expenses are recorded when incurred.

Property and Equipment - Depreciation is provided over the estimated useful lives, which range from 3 to 40 years, of the related assets using primarily the straight-line method.

Tax Status - The Organization has been determined to be tax exempt under Section 501 (C) of the Internal Revenue Code.

Cash - Cash is comprised of cash on hand and in banks.

Investments - Investments are stated at cost, which approximates market.

Grant Receivable - Grant receivables do not contain any material uncollectible amounts; therefore, no allowance for doubtful accounts is considered necessary.

HOPE HOMES, INC.

STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 1987

CASH FLOWS FROM OPERATING ACTIVITIES:

Changes in Net Assets	\$ 127,200
Adjustments to Reconcile Net Increase over Expenditures to net Cash Provided by Operating Activities:	
Depreciation Expense	15,200
Changes in Operating Assets and Liabilities:	
Cash Receivable	(25,150)
Due From Employees	(1,700)
Accounts Payable	4,900
Taxes Payable	<u>2,350</u>
Net Increase in Cash From Operating Activities	124,200

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of Investments and Securities	(71,110)
Purchase of Property and Equipment	<u>(25,480)</u>
Net Decrease in Cash From Investing Activities	<u>(128,080)</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Principle Payment on Note Payable	<u>(2,000)</u>
Net Increase in Cash From Financing Activities	<u>(2,000)</u>

NET DECREASE IN CASH (5,880)

CASH, BEGINNING OF YEAR 33,710

CASH, END OF YEAR \$ 27,830

HOPE HOUSE, INC.

STATEMENT OF CHANGES IN NET ASSETS
AS OF JUNE 30, 1997

NET ASSETS - JUNE 30, 1996	\$ 245,000
CHANGE IN NET ASSETS	<u>127,200</u>
NET ASSETS - JUNE 30, 1997	\$ <u>372,200</u>

HOPE HOUSE, INC.**STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2017****ASSETS****Current Assets**

Cash	\$	20,193
Investments (Note 3)		178,667
Grant Receivable		59,577
Due From Employees (Note 3)		3,365

Total Current Assets181,802**Property and Equipment, Net (Note 4)**280,657**TOTAL****\$** 462,459**LIABILITIES AND NET ASSETS****LIABILITIES****Current Liabilities**

Accounts Payable	\$	10,000
Taxes Payable		3,890
Current Portion of Notes Payable (Note 5)		3,800

Total Current Liabilities17,690**Long-Term Portion of Notes Payable (Note 5)**3,800**Total Liabilities**21,490**NET ASSETS**440,969**TOTAL LIABILITIES AND NET ASSETS****\$** 462,459



LUTHER C. SPEIGHT & COMPANY

A Corporation of Certified Public Accountants
and Management Consultants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Hope House, Inc.

We have audited the accompanying statement of financial position of Hope House, Inc. (the Organization) (a nonprofit organization) for the fiscal year ended June 30, 1997 and the related statements of activities and changes in net assets for the fiscal 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; Government Auditing Standards, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget Circular A-133, "Audit of Institutions of Higher Education and Other Nonprofit Institutions." These 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hope House, Inc. as of June 30, 1997, and the changes in its net assets for the fiscal year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated November 15, 1997, on our consideration of Hope House Inc.'s internal control structure and a report dated November 15, 1997, on its compliance with laws and regulations.

Luther C. Speight, Jr.
New Orleans, Louisiana
November 15, 1997

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE GENERAL REQUIREMENTS APPLICABLE TO FEDERAL AWARDS PROGRAMS	19
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HOME DEPOT, INC.
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**INDEPENDENT AUDITOR'S REPORT ON THE
FINANCIAL STATEMENTS AND THE RELATED
SINGLE AUDIT REPORTS FOR FISCAL
YEAR ENDED JUNE 30, 1997**

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. This 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.

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