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NOVICE HOUSE, INCORPORATED
MONROE, LOUISIANA

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
WITH SUPPLEMENTAL INFORMATION
As of And for The Year Ended June 30, 1998**

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

DEC 9 1998

Release Date _____

NOVICE HOUSE, INCORPORATED
MONROE, LOUISIANA

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
WITH SUPPLEMENTAL INFORMATION
As of And for The Year Ended June 30, 1998

NOVICE HOUSE, INCORPORATED
Monroe, Louisiana
Financial Statements
and Independent Auditor's Report
As of and for the Year Ended June 30, 1998

CONTENTS

	<u>STATEMENTS</u>	<u>PAGE NO.</u>
Independent Auditor's Report		1-2
Financial Statements		
Statement of Financial Position	A	4
Statement of Activities	B	5
Statement of Cash Flows	C	6
Statement of Functional Expenses	D	7
Notes to the Financial Statements		8-13
Independent Auditor's Report on Internal Control Structure Based on an Audit of Basic Financial Statements Performed in Accordance with Government Auditing Standards		14-15
Independent Auditor's Report on Schedule of Federal Awards		16
Supplemental Information:		
Schedule of Fund Descriptions		18
Schedule of Assets, Liabilities, and Net Assets		19
Schedule of Support, Revenue, Expenses, and Changes in Net Assets		20
Schedule of Cash Flows		21
Schedule of Expenses		22
Statement of Activities-Budget to Actual (DOC Fund)		23

Rosie D. Harper
Certified Public Accountant

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Novice House, Incorporated
Monroe, Louisiana

I have audited the accompanying statement of financial position of Novice House, Incorporated (a nonprofit organization) as of June 30, 1998 and the related statements of activities, cash flows, and functional expenses for the year then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Novice House, Incorporated as of June 30, 1998, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

My audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental information and schedules are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

INDEPENDENT AUDITOR'S REPORT
Page 2

A handwritten signature in cursive script that reads "Rosie D. Harper". The signature is written in black ink and is positioned above the printed name and title.

Rosie D. Harper
Certified Public Accountant

Monroe, Louisiana
September 10, 1998

FINANCIAL STATEMENTS

NOVICE HOUSE, INCORPORATED
Statement of Financial Position
June 30, 1998

Assets

Cash and cash equivalents	\$ 6,492
Grant and contract receivable	22,409
Food Inventory	700
Property, plant, equipment	<u>33,750</u>
Total Assets	<u><u>63,351</u></u>

Liabilities and Net Assets

Liabilities:

Accrued Liabilities	<u>54,229</u>
Total liabilities	<u>54,229</u>

Net Assets:

Unrestricted:	
Operating	(25,309)
Investment in Fixed assets	<u>33,750</u>
Total unrestricted	<u>8,441</u>
Temporarily restricted:	<u>681</u>
Total net assets	<u>9,122</u>
Total liabilities and net assets	<u><u>63,351</u></u>

See accompanying notes to financial statements.

NOVICE HOUSE, INCORPORATED
Statement of Activities
For the Year Ended
June 30, 1998

UNRESTRICTED NET ASSETS		
Contributions		1,346
Other revenues		-
Total other support		<u>1,346</u>
TOTAL UNRESTRICTED SUPPORT		<u>1,346</u>
 Net assets released from restrictions		
Restrictions satisfied by payments		<u>310,462</u>
TOTAL UNRESTRICTED SUPPORT AND RECLASSIFICATION		<u>311,808</u>
 Expenses		
General and administrative expenses		123,737
Program expense		203,693
Total expenses		<u>327,430</u>
Change in unrestricted net assets		<u>(15,622)</u>
 TEMPORARILY RESTRICTED NET ASSETS		
Grants and contracts		-
Local		-
State		302,958
Federal		8,185
Other revenue		-
Net assets released from restrictions		-
Restrictions satisfied by payments		<u>(310,462)</u>
Change in temporarily restricted net assets		<u>681</u>
Net assets as of beginning of year		<u>178</u>
 Other changes in unstricted net assets		
Investment in fixed assets		-
Prior Period Adjustment		23,885
Total other changes in net assets		<u>23,885</u>
Net assets as of end of year		<u><u>\$ 9,122</u></u>

See accompanying notes to financial statements.

NOVICE HOUSE, INCORPORATED
Statement of Cash Flows
For the Year Ended
June 30, 1998

Operating activities	<u>All Funds</u>
Change in net assets	\$(14,941)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Decrease (increase) in accounts receivable	-
Decrease (increase) in grants and contracts receivable	6,714
Decrease (increase) in inventories	(700)
Increase (decrease) in accounts payable/accrued liabilities	46,589
Increase (decrease) in deferred income	-
Prior period adjustment	<u>(37,524)</u>
Total adjustments	<u>15,079</u>
Net cash provided by operating activities	<u>138</u>
Cash and cash equivalents as of beginning of year	<u>6,354</u>
Cash and cash equivalents as of the end of year	<u><u>\$ 6,492</u></u>

See accompanying notes to financial statements.

NOVICE HOUSE, INCORPORATED
Statement of Functional Expenses
For the Year Ended
June 30, 1998

	General and Administrative	Program Services	Total Expenses
Personnel Costs			
Salaries and wages	51,991	160,376	212,367
Payroll taxes and other fringe benefits	5,218	16,723	21,941
Total personnel costs	<u>57,209</u>	<u>177,099</u>	<u>234,308</u>
Other expenses			
Food Supplies	-	3,138	3,138
Operating Services	46,385	10,447	56,832
Operating Supplies	4,304	12,824	17,128
Other Expenses	6,352	11	6,363
Personnel Travel	2,116	-	2,116
Professional Services	7,371	174	7,545
Total other expenses	66,528	26,594	93,122
Total Functional Expenses	<u>123,737</u>	<u>203,693</u>	<u>327,430</u>

See accompanying notes to financial statements.

**Novice House, Incorporated
Monroe, Louisiana**

**Notes to the Financial Statement
As of and for the Year Ended June 30, 1998**

NOTE A-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Novice House, Incorporated is a private non-profit organization domiciled in the State of Louisiana at Monroe, Louisiana. The Organization is recognized as a tax exempt (non-profit) organization under section 501 (c) (3) of the Internal Revenue Service Code. The primary objective of the Organization is to provide shelter care for pre-adjudicated juveniles. The Organization is governed by a Board of Directors consisting of twelve (12) members. The Board Members receive no compensation.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

For the period ending June 30, 1998, the Organization followed the provisions of Statement of Financial Accounting Standards No. 117, *Financial Statements of Not-for-Profit Organizations*. Statement No. 117 requires the Organization to distinguish between contributions that increase permanently restricted net assets, temporarily restricted net assets, and unrestricted net assets. It also requires recognition of contributions, including contributed services meeting certain criteria, at fair values. Statement No. 117 establishes standards for general purpose external financial statements of not -for-profit organizations and require a statement of financial position, a statement of activities, and a statement of cash flows.

Revenue Recognition

Revenue and public support consists mainly of federal and private grants, fundraising, and contributions. Contributions of cash and other assets are reported as permanently restricted or temporarily restricted if they are received with donor restrictions or restrictions designated by the governing board. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the

nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or the purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions are considered to be unrestricted unless restricted by the donor. All assets over which the Board of Directors have discretionary control have been included in the General Fund.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates. Accordingly, actual results could differ from those estimates.

Pension Plan

The Organization has a pension plan which is maintained by Legg Mason Wood Walker, Incorporated. The Plan provides pensions for eligible employees and benefits for the qualified survivors of deceased employees and some retirees. The effective date of the Novice House Pension Plan was July 1, 1993. Participants are full time employees of Novice House and who meet the following requirements:

1. Have attained the age of 21.
2. Have completed at least six (6) months of service.

Budget Practices

The Organization prepares program budgets for the DOC, Urban, and Church-based Tutorial funds which is approved by the Board of Directors. Since budgets are not required or prepared for the School Lunch and General Fund, a comparative statement was not presented for the School Lunch and General Fund. Based on the board approved budgets, "budgeted and actual" comparative statements are presented as supplemental information for the DOC, Urban and Church-based Tutorial Funds. A comparative statement is not presented for the Youth-at-Risk fund because this fund had no budget or activity for the period ending June 30, 1998.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of twelve months or less when purchased to be cash equivalents. Cash and cash equivalents for purposes of the statement of cash flows exclude permanently restricted cash and cash equivalents. Under state law, the agency may deposit funds in demand accounts, interest bearing accounts, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Property, Plant, and Equipment

The Organization records donations of property, plant and equipment as support at their fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset for 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. Assets purchased by the Organization are recorded at costs.

No depreciation is recorded on assets because all acquisitions of property, plant and equipment are expensed in the year of acquisition as capital outlay. The value of the assets are reflected on the statement of financial position at cost as Property, Plant and Equipment under assets, and an equal amount is reflected as Investment in Fixed Assets under net assets.

Compensated Absences

Employees become eligible for one day of sick leave for each month's work until a maximum is reached. Days of sick leave used shall be deducted from the total earned. Sick leave may be accumulated to a maximum of thirty (30) working days (depending of the number of years an employee has been employed at the shelter). A liability for compensated absences is not reflected in the financial statements because the amounts are considered immaterial for the purposes of this report.

Total Columns

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

NOTE B-CASH

For the period ending June 30, 1998, the Organization had the following cash and no cash equivalents:

Unrestricted Checking	\$ 1,320
Temporarily Restricted Checking	<u>\$ 5,172</u>
Total Cash	<u>\$ 6,492</u>

NOTE C-GRANTS AND CONTRACTS RECEIVABLE

For the period ending June 30, 1998, the Organization had the following grants and contracts receivables:

State of Louisiana Department of Public Safety	\$ 16,361
State of Louisiana Department of Education	
School Lunch Program	2,006
Church Based Tutorial Program	<u>4,042</u>
Total Grants and Contracts Receivables	<u>\$ 22,409</u>

NOTE D-PROPERTY, PLANT, AND EQUIPMENT

A summary of changes in property, plant and equipment for the year ended June 30, 1996 is as follows:

	Beginning of Period	Additions	Deletions	Adjustment	End of Period
1998	10,342	-	-	23,408	33,750

A prior period adjustment was made to eliminate accumulated depreciation of \$23,408 because the Organization had not recorded depreciation expense in prior periods. The Organization expenses all acquisition for property, plant, and equipment in the year of acquisition.

NOTE-E ACCRUED LIABILITIES

For the period ending June 30, 1998, the Organization had the following accrued liabilities:

Accounts Payable	\$ 15,397
Overdraft Protection	8,367
Credit Line Payable	12,664
Due to State of Louisiana	19
Salaries Payable	8,969
Other Payroll Payables	7,157
Workman's Comp Payable	1,656
Total Liabilities	<u>\$ 54,229</u>

The credit line payable is an unsecured liability with Central Bank which has an outstanding balance of \$ 12,664 at an interest rate of 11.25%.

NOTE-F-PRIOR PERIOD ADJUSTMENT

During the period ending June 30, 1998, the organization accounted for proceeds from the State of Louisiana Department of Safety and the Louisiana Governor's Office of Urban Affairs in separate funds, the DOC Funds and the Urban Fund respectively. Previously, the transactions accounted for in the DOC and Urban Funds were recorded in the General Fund. The following prior period adjustments (net) resulted to net assets:

<u>FUNDS</u>	<u>ADJUSTMENTS</u>
General	\$ (5,905)
DOC	30,346
Urban	815
School Lunch	(1881)
Youth at Risk	510
Total	<u>\$ 23,885</u>

NOTE-G-LEASES

For the year ended June 30, 1998, the Organization had two operating leases, \$500 per month for the administrative building located at 800 Standifer Street and \$1500 per month for the shelter building located at 806 Standifer street

NOTE H-PENSION PLAN

For the period ending June 30, 1998, the Organization's pension plan had total plan assets of \$ 1,126, seventeen eligible participants, and one participant with an account balance. No deposits were made to the pension plan during the audit period. All employees of the Organization are members of the Social Security System. In addition to the employees contribution of 7.65%, the Organization contributes an equal amount to the Social Security System. During the period ending June 30, 1998, the Organization paid \$ 15,876 into the Social Security System.

Rosie D. Harper
Certified Public Accountant

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

To: The Board of Directors
Novice House, Incorporated
Monroe, Louisiana

I have audited the financial statements of Novice House, Incorporated as of and for the years ended June 30, 1998, and have issued my report thereon dated September 10, 1998. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Novice House, Incorporated financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Louisiana Coalition for Literacy internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses.

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

Page 2

The results of my tests disclosed no instances of material weaknesses that are required to be reported under *Government Auditing Standards*.

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

Rosie D. Harper
Certified Public Accountant

September 10, 1998
Monroe, Louisiana

Rosie D. Harper
Certified Public Accountant

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INDEPENDENT AUDITOR'S REPORT ON SCHEDULE OF FEDERAL AWARDS

To the Board of Directors
Novice House, Incorporated
Monroe, Louisiana

I have audited the financial statements of Novice House, Incorporated (a nonprofit organization) as of and for the year ended June 30, 1998 and have issued my report thereon dated September 10, 1998. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these basic financial statements based on my audit.

I conducted my 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, "Audits of Institutions of Higher Education and Other Nonprofit Institutions." Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

My audit was conducted for the purpose of forming an opinion on the basic financial statements of Novice House, Incorporated 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 my opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Rosie D. Harper
Certified Public Accountant

Monroe, Louisiana
September 10, 1998

SUPPLEMENTAL INFORMATION

NOVICE HOUSE, INCORPORATED
Monroe, Louisiana

SCHEDULE OF FUND DESCRIPTIONS

As of and for the Years Ended June 30, 1998

GENERAL FUND

All assets over which the Board of Directors has discretionary control have been included in the general Fund.

DOC FUND

The DOC Fund is used to account for proceeds from The State of Louisiana Department of Public Safety for providing a regional shelter to preadjudicated juveniles.

URBAN FUND

The Urban Fund is used to account for grant proceeds from The State of Louisiana's Governor's Office of Urban Affairs and Development for providing regional shelter to preadjudicated juveniles.

CHURCH-BASED TUTORIAL FUND

The Church-based Tutorial Fund is used to account for grant proceeds from The State of Louisiana Department of Education for providing summer-enrichment and instructional camp in basic academic skills and providing after-school tutorial services.

SCHOOL LUNCH FUND

The School Lunch Fund is used to account for grant proceeds for the State of Louisiana Department of Education for providing nutritionally adequate food service program to eligible participants.

YOUTH AT RISK FUND

The Youth-at-Risk Fund is used to account for grant proceeds from the Louisiana Department of Education to provided counseling services to juveniles and their families to help them understand the laws pertaining to the juvenile system. This fund had no activity for the period ending June 30, 1998.

NOVICE HOUSE, INCORPORATED
Schedule of Assets, Liabilities, and Net Assets
June 30, 1998

Schedule 2

Assets	Unrestricted General Fund	Temporarily Restricted					Total All Funds
		DOC Fund	Urban Fund	School Lunch Fund	Church Based Tutorial Fund	Youth at Risk Fund	
Cash and cash equivalents	\$ 1,320	\$ -	\$ -	\$ 4,392	\$ 303	\$ 477	\$ 6,492
Grants and contracts receivable	-	16,361	-	2,006	4,042	-	22,409
Due from other funds	24,298	-	-	-	-	-	24,298
Food Inventory	-	-	-	700	-	-	700
Property, plant, and equipment	3,782	29,968	-	-	-	-	33,750
Total Assets	29,400	46,329	-	7,098	4,345	477	87,649
Liabilities and Net Assets							
Liabilities:							
Accrued liabilities	50,927	-	-	19	3,283	-	54,229
Due to other funds	-	16,361	-	6,398	1,062	477	24,298
Total liabilities	50,927	16,361	-	6,417	4,345	477	78,527
Net Assets:							
Unrestricted:							
Operating	(25,309)	-	-	-	-	-	(25,309)
Investment in fixed assets	3,782	29,968	-	-	-	-	33,750
Total unrestricted	(21,527)	29,968	-	-	-	-	8,441
Temporarily restricted	-	-	-	681	-	-	681
Total net assets	(21,527)	29,968	-	681	-	-	9,122
Total liabilities and net asset	\$ 29,400	\$ 46,329	\$ -	\$ 7,098	\$ 4,345	\$ 477	\$ 87,649

NOVICE HOUSE, INCORPORATED
 Schedule of Support, Revenue, Expenses, and
 Changes in Net Assets
 June 30, 1998

	UNRESTRICTED							Total All Funds
	General Fund	DOC Fund	Urban Fund	School Lunch Fund	Church Based Tutorial Fund	Youth at Risk Fund		
UNRESTRICTED NET ASSETS								
Support								
Contributions	\$ -	\$ -	\$ -	\$ -	\$ 1,346	\$ -	\$ 1,346	
Other revenues	-	-	-	-	-	-	-	
Total other support	-	-	-	-	1,346	-	1,346	
TOTAL UNRESTRICTED SUPPORT	-	-	-	-	1,346	-	1,346	
Net assets released from restrictions								
Investment in fixed assets	-	-	-	-	-	-	-	
Restrictions satisfied by payments	-	189,617	100,000	7,504	13,341	-	310,462	
TOTAL UNRESTRICTED SUPPORT AND RECLASSIFICATION	-	189,617	100,000	7,504	14,687	-	311,808	
Expenses								
General and administrative expenses	15,356	69,088	38,877	416	-	-	123,737	
Program expense	266	120,529	61,123	7,088	14,687	-	203,693	
Total expenses	15,622	189,617	100,000	7,504	14,687	-	327,430	
Change in unrestricted net assets	(15,622)	-	-	-	-	-	(15,622)	
TEMPORARILY RESTRICTED NET ASSETS								
Grants and contracts								
Local	-	-	-	-	-	-	-	
State	-	189,617	100,000	-	13,341	-	302,958	
Federal	-	-	-	8,185	-	-	8,185	
Other revenue	-	-	-	-	-	-	-	
Net assets released from restrictions	-	(189,617)	(100,000)	(7,504)	(13,341)	-	(310,462)	
Restrictions satisfied by payments	-	-	-	681	-	-	681	
Change in temporarily restricted net assets	-	(378)	(815)	1,881	-	(510)	178	
Net assets as of beginning of year	-	-	-	-	-	-	-	
Other changes in unrestricted net assets								
Investment in fixed assets	-	-	-	-	-	-	-	
Prior Period Adjustment	(5,905)	30,346	815	(1,881)	-	510	23,885	
Total other changes in net assets	(5,905)	30,346	815	(1,881)	-	510	23,885	
Net assets as of end of year	\$ (21,527)	\$ 29,968	\$ -	\$ 681	\$ -	\$ -	\$ 9,122	

NOVICE HOUSE, INCORPORATED
 Schedule of Cash Flows
 For the Year Ended December 31, 1997

	TEMPORARILY RESTRICTED						Total All Funds
	UNRESTRICTED	General Fund	DOC Fund	Urban Fund	School Lunch Fund	Church Based Tutorial Fund	
Operating activities							
Change in net assets	\$ (15,622)	\$ -	\$ -	\$ -	\$ 681	\$ -	\$ (14,941)
Adjustments to reconcile change in net assets to net cash provided by operating activities:							
Decrease (increase) in accounts receivable	-	-	-	-	-	-	-
Decrease (increase) in grants and contracts receivable	-	-	9,118	-	(1,410)	(994)	6,714
Decrease (increase) in inventories	-	-	-	-	(700)	-	(700)
Decrease (increase) in due from other funds	(24,297)	-	-	-	-	1,062	(23,235)
Increase (decrease) in accounts payable/accrued liab	50,926	-	-	-	19	(535)	46,589
Increase (decrease) in due to other funds	-	-	(9,118)	-	4,516	-	(4,602)
Increase (decrease) in deferred income	-	-	-	-	-	-	-
Prior period adjustment	(9,687)	-	-	-	-	-	(9,687)
Total adjustments	16,942	-	-	-	2,425	(467)	15,079
Net cash provided by operating activities	1,320	-	-	-	3,106	(467)	138
Cash and cash equivalents as of beginning of year	-	-	-	-	1,286	770	6,354
Cash and cash equivalents as of the end of year	\$ 1,320	\$ -	\$ -	\$ -	\$ 4,392	\$ 303	\$ 6,492

NOVICE HOUSE, INCORPORATED
 Schedule of Expenses
 For the Year Ended
 June 30, 1998

	TEMPORARILY RESTRICTED							
	UNRESTRICTED	General Fund	DOC Fund	Urban Fund	School Lunch Fund	Church Based Tutorial Fund	Youth at Risk Fund	All Funds
General & Administrative								
Personnel Costs								
Salaries and wages	\$ 2,156	\$ 25,080	\$ 24,755	\$ -	\$ -	\$ -	\$ -	\$ 51,991
Payroll taxes and other fringe benefits	-	2,642	2,576	-	-	-	-	5,218
Total personnel costs	2,156	27,722	27,331	-	-	-	-	57,209
Operating Services	3,119	35,439	7,801	26	-	-	-	46,385
Operating Supplies	210	1,837	2,257	-	-	-	-	4,304
Other Expenses	6,352	-	-	-	-	-	-	6,352
Personnel travel	655	644	677	140	-	-	-	2,116
Professional Services	2,864	3,446	811	250	-	-	-	7,371
Total General & Administrative	15,356	69,088	38,877	416	-	-	-	123,737
Program Expenses								
Personnel Costs								
Salaries and Wages	-	101,544	41,512	3,939	-	13,381	-	160,376
Fringe Benefits-Program	-	10,675	5,024	-	-	1,024	-	16,723
Total Personnel Costs	-	112,219	46,536	3,939	-	14,405	-	177,099
Food Supplies	-	-	-	3,138	-	-	-	3,138
Operating Services	-	-	10,447	-	-	-	-	10,447
Operating Supplies	266	8,310	3,966	-	-	282	-	12,824
Other Expenses	-	-	-	11	-	-	-	11
Professional Services	-	-	174	-	-	-	-	174
Total Program Expenses	266	120,529	61,123	7,088	-	14,687	-	203,693
Total Functional Expenses	\$ 15,622	\$ 189,617	\$ 100,000	\$ 7,504	\$ -	\$ 14,687	\$ -	\$ 327,430

NOVICE HOUSE, INCORPORATED
DOC Fund
Statement of Activities -Budget to Actual
For the Year Ended June 30, 1998

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Revenue			
Grants and contracts	189,397	189,617	(220)
Other Income	-	-	-
Total revenue	<u>189,397</u>	<u>189,617</u>	<u>(220)</u>
Personnel Costs			
Salaries and wages	127,420	126,624	796
Payroll taxes and other fringe benefits	21,076	13,317	7,759
Total personnel costs	<u>148,496</u>	<u>139,941</u>	<u>8,555</u>
Other Expenses			
Personnel Travel	644	644	-
Operating Services	27,376	35,439	(8,063)
Professional Services	3,446	3,446	-
Operating Supplies	9,435	10,147	(712)
	<u>40,901</u>	<u>49,676</u>	<u>(8,775)</u>
Total other expenses	<u>40,901</u>	<u>49,676</u>	<u>(8,775)</u>
Total expenses	<u>189,397</u>	<u>189,617</u>	<u>(220)</u>
Change in net assets	<u>-</u>	<u>-</u>	<u>-</u>

NOVICE HOUSE, INCORPORATED
 Urban Fund
 Statement of Activities -Budget to Actual
 For the Year Ended June 30, 1998

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Revenue			
Grants and receivables	100,000	100,000	-
Other Income	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue	100,000	100,000	-
Personnel costs			
Salaries and wages	65,383	66,268	(885)
Payroll taxes and other fringe benefits	<u>8,431</u>	<u>7,600</u>	<u>831</u>
Total personnel costs	73,814	73,868	(54)
Other expenses			
Personnel travel	506	676	(170)
Operating services	21,774	19,233	2,541
Operating supplies	<u>3,906</u>	<u>6,223</u>	<u>(2,317)</u>
	<u>26,186</u>	<u>26,132</u>	<u>54</u>
Total other expenses	<u>26,186</u>	<u>26,132</u>	<u>54</u>
Total expenses	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Change in net assets	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

NOVICE HOUSE, INCORPORATED
Church-Based Tutorial Fund
Statement of Activities -Budget to Actual
For the Year Ended June 30, 1998

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Revenue			
Grants	15,188	13,341	1,847
Other Income	<u>1,215</u>	<u>1,346</u>	<u>(131)</u>
Total revenue	16,403	14,687	1,716
 Personnel Costs			
Salaries and wages	14,460	13,381	1,079
Payroll taxes and other fringe benefits	<u>1,596</u>	<u>1,024</u>	<u>572</u>
Total personnel costs	16,056	14,405	1,651
 Other expenses			
Supplies	347	282	65
Total other expenses	<u>347</u>	<u>282</u>	<u>65</u>
Total expenses	<u>16,403</u>	<u>14,687</u>	<u>1,716</u>
Change in net assets	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

NOVICE HOUSE, INCORPORATED
 School Lunch Program
 Schedule of Participation and Reimbursement
 June 30, 1998

Schedule 9

Month	LUNCH				BREAKFAST		Total Reimbursement
	Number of Free Meals	\$ 1.71 Rate	Total Mcals	\$ 0.20 Rate	Number of Free Meals	\$ 1.05 Rate	
July-97	145	247.95	145	29.00	148	154.66	431.61
August-97	126	215.46	126	25.20	123	128.54	369.20
September-97	213	364.23	213	42.60	213	222.59	629.42
October-97	248	424.08	248	49.60	256	267.52	741.20
November-97	235	401.85	235	47.00	235	245.58	694.43
December-97	109	186.39	109	21.80	112	117.04	325.23
January-98	183	312.93	183	36.60	182	190.19	539.72
February-98	257	439.47	257	51.40	256	267.52	758.39
March-98	229	391.59	229	45.80	222	231.99	669.38
April-98	188	321.48	188	37.60	190	198.55	557.63
May-98	273	466.83	273	54.60	273	285.29	806.72
June-98	219	374.49	219	43.80	213	222.59	640.88
Total	2,425.00	4,146.75	2,425.00	485.00	2,423.00	2,532.04	7,163.79

Total Reimbursement Received	7,182.90
Total Eligible Reimbursement	<u>(7,163.79)</u>
Overpayment by State of Louisiana	<u>19.11</u>

NOVICE HOUSE, INCORPORATED
 Monroe, Louisiana
 Schedule of Federal Financial Assistance
 For the Year Ended June 30, 1998

SOURCE OF FEDERAL ASSISTANCE AGENCY	FEDERAL C.F.D.A. NUMBER	RECEIPTS OR REVENUE RECOGNIZED	DISBURSEMENT/ EXPENSES
UNITED STATES DEPARTMENT OF AGRICULTURE			
Passed through State of Louisiana			
Department of Education			
<u>National School Lunch Program</u>	10.555	\$ 7,183	\$ 7,183
Passed through State of Louisiana			
Department of Agriculture and Forestry			
<u>Food Distribution Program (Commodities)</u>	10.565	1,021	321
TOTAL UNITED STATES DEPARTMENT OF AGRICULTURE		<u>\$ 8,204</u>	<u>\$ 7,504</u>
TOTAL FEDERAL ASSISTANCE		<u>\$ 8,204</u>	<u>\$ 7,504</u>

STATUS OF PRIOR YEAR FINDING

Finding-Fiscal Year 1996-1997

FINDING:

SEPARATE BANK ACCOUNTS

Funding from Louisiana Department of Public Safety and Corrections (contract #403) and urban Affairs and Development Grant Program has been separately received by the Novice House, Inc. Even though the two programs can be identified on the books, please note the following recommendation, the funds should be separated and accounted for separately-maybe as additional revenue and expenditure codes and a separate bank account should be established for each grant program.

STATUS

CLEARED