

6096

RECEIVED
LEGISLATIVE AUDITOR
04 JUN 29 AM 11:08

**MY HOUSE, INC.
NEW ORLEANS, LOUISIANA
ANNUAL FINANCIAL REPORT
DECEMBER 31, 2003**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 9-8-04

**MY HOUSE, INC.
ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS
DECEMBER 31, 2003**

	<u>PAGE</u>
Independent Auditors' Report	1-2
Financial Statements	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7-10
Other Supplementary Information	11
Schedule of Expenditures of Federal Awards	12
Schedule of Findings and Questioned Costs	13
Other Reports Required by GAS and OMB Circular A-133	14
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	15
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	16-17

HFB

HUGH F. BAXLEY, CPA
A Professional Accounting Corporation

Hugh F. Baxley, CPA/PFS/CVA
Margaret A. Pritchard, CPA
Terrell D. Martin, CPA

INDEPENDENT AUDITORS' REPORT

To the Officers and Board of Directors
My House, Inc.
New Orleans, Louisiana

We have audited the accompanying statement of financial position of My House, Inc. (a nonprofit organization) as of December 31, 2003, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the management of My House, Inc. Our responsibility is to express an opinion on these financial statements based on our audit.

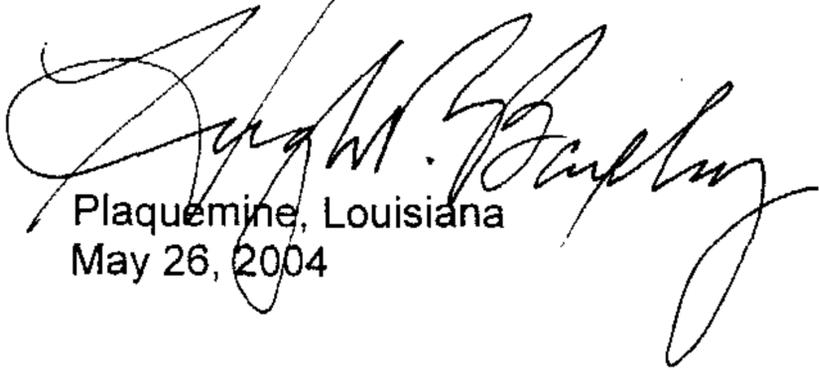
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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 My House, Inc. as of December 31, 2003, and the changes in its net assets, and its cash flows, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 26, 2004 on our consideration of My House, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

INDEPENDENT AUDITORS' REPORT, cont.

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



Plaquemine, Louisiana
May 26, 2004

**MY HOUSE, INC.
NEW ORLEANS, LOUISIANA
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2003**

ASSETS

Current assets:

Cash	\$ 24,040
Accounts receivable	73,640

Total current assets	<u>97,680</u>
----------------------	---------------

Property and equipment:

Land	43,935
Building	398,815
Furniture & fixtures	4,450
Machinery & equipment	47,651

	<u>494,851</u>
Less accumulated depreciation	<u>(279,121)</u>

Net property and equipment	<u>215,730</u>
----------------------------	----------------

TOTAL ASSETS	<u>\$ 313,410</u>
---------------------	--------------------------

LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable	\$ 1,064
Federal withholdings	5,535
State income tax withholdings	1,446
Compensated absences	4,060

Total current liabilities	<u>12,105</u>
---------------------------	---------------

Long-term liabilities:

Loan from Brown Foundation	28,500
Line of credit	33,900

Total long-term liabilities	<u>62,400</u>
-----------------------------	---------------

Total liabilities	<u>74,505</u>
-------------------	---------------

Unrestricted net assets	<u>238,905</u>
-------------------------	----------------

TOTAL LIABILITIES AND NET ASSETS	<u>\$ 313,410</u>
---	--------------------------

The accompanying notes are an integral part of this statement.

**MY HOUSE, INC.
NEW ORLEANS, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2003**

UNRESTRICTED NET ASSETS

Unrestricted revenues and gains

Grants	\$	402,803
Contributions		53,020
Fundraiser		10,565
Investment income		17
Program income		8,285
Other income		2,097

TOTAL UNRESTRICTED REVENUES AND GAINS		<u>476,787</u>
--	--	-----------------------

Expenses

Program services

Community Science Workshop		43,964
Teen Pregnancy Prevention		79,280
21st Century		60,054
Community Development Block Grant		50,893
Temporary Assistance for Needy Families		147,226

Supporting services

Management and general		104,606
Fundraising		1,163

TOTAL EXPENSES		<u>487,186</u>
-----------------------	--	-----------------------

DECREASE IN UNRESTRICTED NET ASSETS		(10,399)
--	--	-----------------

TEMPORARILY RESTRICTED NET ASSETS

Contributions

Arts Council of New Orleans		1,500
-----------------------------	--	-------

Net assets released from restrictions

Restrictions satisfied by purchase of art supplies		<u>(1,500)</u>
--	--	----------------

INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS		<u>-</u>
---	--	----------

DECREASE IN NET ASSETS		(10,399)
-------------------------------	--	-----------------

NET ASSETS AT BEGINNING OF YEAR		<u>249,304</u>
--	--	-----------------------

NET ASSETS AT END OF YEAR	\$	<u><u>238,905</u></u>
----------------------------------	-----------	------------------------------

The accompanying notes are an integral part of this statement.

MY HOUSE, INC.
NEW ORLEANS, LOUISIANA
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2003

	PROGRAM SERVICES					SUPPORTING SERVICES			Total
	Community Science Workshop	Teen Pregnancy Prevention	21st Century	Community Development Block Grant	Temporary Assistance for Needy Families	Management & General	Fund-Raising		
Salaries	\$ 28,496	\$ 48,657	\$ 46,294	\$ 27,076	\$ 102,486	\$ 41,303	\$ -	\$ -	294,312
Employee benefits	3,066	1,584	1,696	1,483	3,164	8,965	-	-	19,958
Payroll taxes	2,456	4,577	3,267	1,777	9,264	3,962	-	-	25,303
Professional fees	1,330	5,261	1,271	-	2,303	5,161	-	-	15,326
Telephone	39	376	444	1,129	789	319	-	-	3,096
Office supplies	400	1,853	108	1,686	936	463	-	-	5,446
Occupancy	5,824	3,471	3,045	10,567	4,556	6,667	-	-	34,130
Equipment rental & maintenance	382	894	845	1,000	2,403	-	-	-	5,524
Travel	-	728	238	-	4,482	473	-	-	5,921
Meetings and conferences	-	-	964	-	-	-	-	-	964
Educational supplies	1,720	3,975	1,729	799	6,599	-	-	-	14,822
Food and preparation supplies	-	1,088	153	-	6,608	-	-	-	7,849
Workers compensation	196	-	-	-	-	3,363	-	-	3,559
Staff development	55	514	-	-	711	-	-	-	1,280
Janitorial	-	2,700	-	5,376	2,925	819	-	-	11,820
Computer supplies	-	3,602	-	-	-	-	-	-	3,602
Printing	-	-	-	-	-	3,148	93	-	3,241
Fundraising expense	-	-	-	-	-	-	1,070	-	1,070
Counseling	-	-	-	-	-	2,473	-	-	2,473
Depreciation	-	-	-	-	-	21,704	-	-	21,704
Miscellaneous	-	-	-	-	-	5,786	-	-	5,786
	<u>\$ 43,964</u>	<u>\$ 79,280</u>	<u>\$ 60,054</u>	<u>\$ 50,893</u>	<u>\$ 147,226</u>	<u>\$ 104,606</u>	<u>\$ 1,163</u>	<u>\$ -</u>	<u>\$ 487,186</u>

The accompanying notes are an integral part of this statement.

MY HOUSE, INC.
 NEW ORLEANS, LOUISIANA
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 2003

	Unrestricted
CASH FLOWS FROM OPERATING ACTIVITIES	
<i>Changes in net assets</i>	\$ (10,399)
Adjustment to reconcile excess (deficiency) of support and revenues over expenses to net cash provided by operating activities:	
Depreciation	21,704
<i>Changes in assets and liabilities:</i>	
(Increase) in accounts receivable	(31,772)
Increase in accounts payable	394
Increase in payroll withholdings and accruals	2,012
Increase in compensated absences	4,060
	(14,001)
NET CASH PROVIDED (USED) IN OPERATING ACTIVITIES	
CASH FLOWS PROVIDED FROM FINANCING ACTIVITIES	
<i>Proceeds from line of credit</i>	33,900
	33,900
NET CASH PROVIDED FROM FINANCING ACTIVITIES	
NET DECREASE IN CASH AND CASH EQUIVALENTS	19,899
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	4,141
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 24,040

The accompanying notes are an integral part of this statement.

**MY HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003**

NOTE A: SIGNIFICANT ACCOUNTING POLICIES

Operation

My House, Inc. is a non-profit corporation which provides programs that promote the intellectual and emotional growth of children, youth and adults. It serves inner-city youth and families over 80% of which are from extremely low income homes and have female heads of household.

Programs include after-school homework assistance, cultural enrichment activities, individual tutoring, teen pregnancy prevention classes, individual and group counseling and psychological and educational assessment services, summer camps and family community days sponsored to promote family and neighborhood bonds.

Financial Statement Presentation

The Organization has adopted Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows.

At present, all of the Organizations funds are included in the Unrestricted category. Should the Organization receive funds that are donor restricted or should the Board of Directors decide to make some funds restricted, they would be classified as required by the Statement.

Property and Equipment

Property and equipment are carried at cost. Depreciation is computed using straight-line and accelerated methods. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in income for the period.

The cost of maintenance and repairs is charged to income as incurred; significant renewals and betterments are capitalized. The fair value of donated property is similarly capitalized.

Revenues

Most of the revenue is generated through grants issued by Louisiana State sponsored programs.

MY HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE A: SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimates

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

Allowance For Doubtful Accounts

Since substantially all accounts receivable – trade are due from governmental agencies, no allowance for doubtful accounts is considered necessary. Any billing adjustments needed are made in the year determined.

Cash and Cash Equivalents

Cash and cash equivalents consist of operating funds maintained in checking and operating accounts. Any investments in money market accounts or certificates of deposit with maturities of three months or less would also be considered cash and cash equivalents. Investments of longer terms would be classified as investments.

Contributions

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

Compensated Absences

At the time of resignation, retirement or death an employee is entitled to be paid all accrued vacation and sick hours. The maximum amount of vacation that can be accrued is 80 hours for persons employed with My House for less than 5 years and 120 hours for persons employed more than 5 years. The maximum number of sick hours that may be accrued is 48 annually.

MY HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE B: PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	Balance 12/31/2002	Additions	Deletions	Balance 12/31/2003	Accumulated Depreciation Balance 12/31/2003	Net of Accumulated Depreciation
Land	\$ 43,935	\$ -	\$ -	\$ 43,935	\$ -	\$ 43,935
Building and improvements	398,815	-	-	398,815	(229,145)	169,670
Equipment, furniture and fixtures	52,101	-	-	52,101	(49,976)	2,125
	<u>\$ 494,851</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 494,851</u>	<u>\$ (279,121)</u>	<u>\$ 215,730</u>

Depreciation expense charged to income was \$21,704 for 2003.

NOTE C: ACCOUNTS RECEIVABLE

Grant - Community Science Workshop	\$ 5,000
Grant - Teen Pregnancy Prevention	13,549
Grant - Temporary Assistance to Needy Families	18,898
Grant - 21st Century	31,759
Grant - Community Development Block Grant	4,154
Contributions - Unrestricted	280
	<u>\$ 73,640</u>

NOTE D: NOTE PAYABLE

On March 31, 2001, the Joe W. and Dorothy Brown Foundation made a loan of \$30,000 to My House, Inc. The terms are 0% interest per annum with no maturity date. The balance of the note at December 31, 2003 was \$28,500.

MY HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE E: INCOME TAXES

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualified for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 0509(a)(2).

NOTE F: ECONOMIC DEPENDENCY

The Organization receives a majority of its revenue from grants issued by the State of Louisiana which are appropriated each year by the state government. If significant budget cuts are effected at the state level, the amount of the funds the Organization receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Organization will receive in the next fiscal year.

OTHER SUPPLEMENTARY INFORMATION

**MY HOUSE, INC.
NEW ORLEANS, LOUISIANA
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2003**

Federal Grantor Pass Through Grantor Name / Direct Program Program Title	Grant Period	CFDA Number	Federal Expenditures
Temporary Assistance for Needy Families	9/15/02-8/30/03	93.558	\$ 120,842
	9/1/03-8/31/04	93.558	46,614
Community Development Block Grant - City of New Orleans	1/1/03-12/31/03	14.218	44,910
Temporary Asst. for Needy Families-Dept Social Services-Teen Pregnancy Prevention	10/1/02-8/31/03	93.558	68,219
	10/1/03-8/31/04	93.558	13,549
LA 21st Century Community Learning Center Grant	9/1/03-8/31/04	84.287	<u>64,238</u>
			<u>\$ 358,372</u>

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of My House, Inc. and is presented on the cash basis. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the general purpose financial statements.

MY HOUSE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2003

A. SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued: *unqualified*

Internal control over financial reporting:

- Material weaknesses identified? yes no
- Reportable condition identified that are not considered to be material weaknesses? yes no
- Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- Material weaknesses identified? yes no
- Reportable conditions identified that are not considered to be material weaknesses? yes none reported

Type of auditor's report issued on compliance for major programs: *unqualified*

Any audit findings disclosed that are not required to be reported in accordance with section 501(a) of Circular A-133? yes no

Identification of major programs:

CFDA Number(s):

Name of Federal Program or Cluster:
 Temporary Assistance for Needy Families

Dollar threshold used to distinguish between type A and type B programs: \$300,000
 Auditee qualified as low-risk auditee? yes no

**OTHER REPORTS REQUIRED BY GAS AND
OMB CIRCULAR A-133**

HFB

HUGH F. BAXLEY, CPA
A Professional Accounting Corporation

Hugh F. Baxley, CPA/PFS/CVA
Margaret A. Pritchard, CPA
Terrell D. Martin, CPA

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 Officers and Board of Directors
My House, Inc.

We have audited the financial statements of My House, Inc. (a non-profit organization) as of and for the year ended December 31, 2003, and have issued our report thereon dated May 26, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

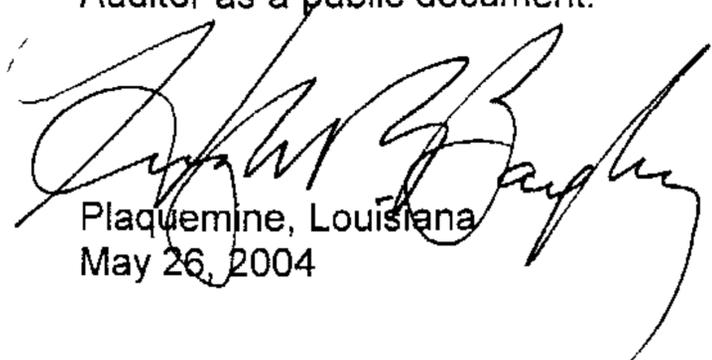
Compliance

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

Internal Control Over Financial Reporting

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

This report is intended solely for the information and use of management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Plaquemine, Louisiana
May 26, 2004

HFB

HUGH F. BAXLEY, CPA
A Professional Accounting Corporation

Hugh F. Baxley, CPA/PFS/CVA
Margaret A. Pritchard, CPA
Terrell D. Martin, CPA

To the Officers and Board of Directors
My House, Inc.
New Orleans, Louisiana

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A- 133

Compliance

We have audited the compliance of My House, Inc. with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2003. My House, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of My House, Inc.'s management. Our responsibility is to express an opinion on My House, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about My House, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on My House, Inc.'s compliance with those requirements.

In our opinion, My House, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2003. However, the results of our auditing procedures disclosed no instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133.

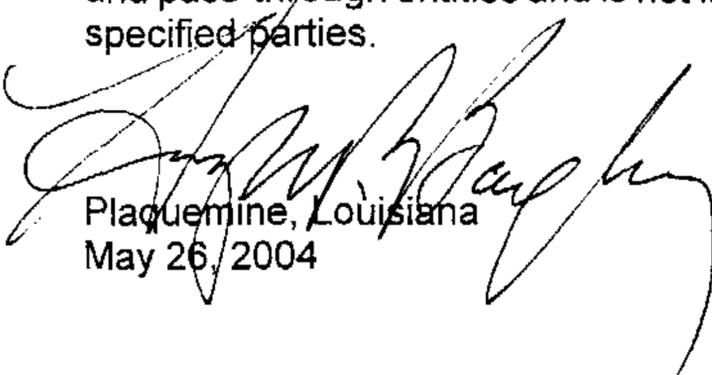
**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM
AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-
133 (continued)**

Internal Control Over Compliance

The management of My House, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered My House, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulation, contracts and grants that would be material in relation to major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Plaquemine, Louisiana
May 26, 2004