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*A Corporation Of
Certified Public Accountants*

FAITH HOUSE, INC.

AUDITED FINANCIAL STATEMENTS

For the Years Ended June 30, 2004 and 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 12-1-04

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FAITH HOUSE, INC.

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A Corporation of
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

The Officers and Directors
Faith House, Inc.
Lafayette, Louisiana

We have audited the accompanying statements of financial position of Faith House, Inc. (a non-profit organization) as of June 30, 2004 and 2003, and the related statements of activities, functional expenses and cash flows for the years 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 audits.

We conducted our audits 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 audits 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 audits provide 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 Faith House, Inc. as of June 30, 2004 and 2003, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 19, 2004 on our consideration of Faith House, Inc.'s internal control structure and a report dated August 19, 2004 on its compliance with laws and regulations.

J. B. Thibodaux, Jr. Hebert Deshotels LeBlanc

CERTIFIED PUBLIC ACCOUNTANTS

August 19, 2004

FAITH HOUSE, INC.

STATEMENTS OF FINANCIAL POSITION June 30, 2004 and 2003

	<u>2004</u>	<u>2003</u>
Assets:		
Cash	\$124,094	\$264,197
Short-term certificates of deposit	217,633	140,159
Grants receivable	208,848	137,758
Accrued interest receivable	1,417	2,045
Prepaid insurance	10,117	8,919
Long-term certificate of deposit	66,304	75,000
Land, buildings and equipment, net	1,418,266	1,389,509
Deposits	55	55
Total assets	\$2,046,734	\$2,017,642
 Liabilities:		
Accounts payable	\$54,237	\$22,404
Other current liabilities	19,513	18,651
Total liabilities	73,750	41,055
 Net assets:		
Unrestricted	1,891,188	1,894,955
Restricted	81,796	81,632
Total net assets	1,972,984	1,976,587
Total liabilities and net assets	\$2,046,734	\$2,017,642

FAITH HOUSE, INC.

STATEMENTS OF ACTIVITIES For the Years Ended June 30, 2004 and 2003

	2004	2004	2004	2003
	Unrestricted	Temporarily Restricted	Total	Total
Revenues, gains and other support:				
Grants	\$831,938	\$81,796	\$913,734	\$764,064
Fundraising	74,938	-	74,938	85,388
Public support donations	101,901	-	101,901	111,795
In-kind donations	295,216	-	295,216	84,940
Interest income	5,206	-	5,206	5,428
Net assets released from restrictions:				
Satisfaction of program restrictions	81,632	(81,632)	-	-
Total revenues, gains and other support	<u>1,390,831</u>	<u>164</u>	<u>1,390,995</u>	<u>1,051,615</u>
Expenses and losses:				
Program services	1,181,344	-	1,181,344	893,383
Fundraising	89,168	-	89,168	64,293
Support services administration	124,086	-	124,086	130,607
Total expenses and losses	<u>1,394,598</u>	<u>-</u>	<u>1,394,598</u>	<u>1,088,283</u>
Increase (decrease) in net assets	(3,767)	164	(3,603)	(36,668)
Net assets at beginning of year	<u>1,894,955</u>	<u>81,632</u>	<u>1,976,587</u>	<u>2,013,255</u>
Net assets at end of year	<u>\$1,891,188</u>	<u>\$81,796</u>	<u>\$1,972,984</u>	<u>\$1,976,587</u>

FAITH HOUSE, INC.

STATEMENTS OF FUNCTIONAL EXPENSES For the Years Ended June 30, 2004 and 2003

	<u>Program Services</u>	<u>Fundraising</u>	<u>Support Services Administration</u>	<u>2004 Total</u>	<u>2003 Total</u>
Advertising	\$13,172	\$ -	\$ -	\$13,172	\$5,488
Bank charges	-	-	494	494	454
Client expenses	77,389	-	-	77,389	63,273
Dues and subscriptions	2,801	407	-	3,208	1,783
Equipment	6,894	37	-	6,931	2,579
Food supplies	5,878	4,004	-	9,882	12,585
In-kind donations	258,400	31,313	-	289,713	83,837
Insurance - automobile	3,755	-	-	3,755	4,824
Insurance - group health	57,062	3,051	13,385	73,498	59,271
Insurance - shelter	24,321	-	1,013	25,334	21,617
Insurance - worker's compensation	5,604	-	1,315	6,919	5,075
Library and videos	202	-	-	202	1,088
Miscellaneous	(728)	(200)	(30)	(958)	770
Office expense	6,608	364	275	7,247	10,299
Outside services	16,904	820	704	18,428	18,552
Payroll taxes	36,324	2,345	8,520	47,189	43,141
Postage	4,083	999	170	5,252	4,975
Printing	14,268	1,595	595	16,458	13,262
Professional development	5,832	-	243	6,075	1,705
Legal and accounting	-	-	5,043	5,043	5,334
Rent	10,900	1,588	-	12,488	10,647
Repairs and maintenance	4,515	-	188	4,703	14,384
Salaries and wages	460,695	27,684	86,552	574,931	532,569
Special projects	4,634	10,117	-	14,751	19,010
Supplies - children's program	26,979	275	-	27,254	9,632
Supplies - janitorial	-	-	-	-	85
Telephone	18,227	2,438	759	21,424	18,307
Travel	16,092	1,873	670	18,635	19,115
Utilities	34,630	458	1,443	36,531	34,311
	<u>1,115,440</u>	<u>89,168</u>	<u>121,340</u>	<u>1,325,948</u>	<u>1,017,972</u>
Depreciation	<u>65,904</u>	<u>-</u>	<u>2,746</u>	<u>68,650</u>	<u>70,311</u>
Total Functional Expenses	<u><u>\$1,181,344</u></u>	<u><u>\$89,168</u></u>	<u><u>\$124,086</u></u>	<u><u>\$1,394,598</u></u>	<u><u>\$1,088,283</u></u>

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

FAITH HOUSE, INC.

STATEMENTS OF CASH FLOWS For the Years Ended June 30, 2004 and 2003

	<u>2004</u>	<u>2003</u>
Cash flows from operating activities:		
Change in net assets	(\$3,603)	(\$36,668)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	68,650	70,311
Donated assets	(5,503)	(1,103)
Changes in assets and liabilities:		
Grants receivable	(71,090)	70,421
Accrued interest receivable	628	(2,045)
Prepaid insurance	(1,198)	(691)
Accounts payable	31,833	(6,221)
Other current liabilities	862	5,630
Net cash provided by operating activities	20,579	99,634
Cash flows from investing activities:		
Purchase of property and equipment	(91,904)	(25,217)
Purchase of certificates of deposit	(68,778)	(215,159)
Net cash used in investing activities	(160,682)	(240,376)
Net decrease in cash	(140,103)	(140,742)
Cash at beginning of year	264,197	404,939
Cash at end of year	\$124,094	\$264,197

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Noncash investing activities:

 Donated assets

	\$5,503	\$1,103
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FAITH HOUSE, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1: ORGANIZATION

Faith House, Inc., a nonprofit corporation, was incorporated on November 20, 1980 to provide temporary shelter and services for battered women and their children in crisis situations. Other services provided by the Organization include crisis counseling, after care to victims of domestic violence, and community education about domestic violence. The Organization's services are available to residents of Lafayette, Vermilion, Acadia, Evangeline, and St. Landry parishes.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of 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.

Method of Accounting

Assets and liabilities, and revenues and expenses, are recognized on the accrual basis of accounting.

Property and Equipment

Property and equipment are stated at cost. Expenditures for property and equipment and items which substantially increase the useful lives of existing assets are capitalized at cost and depreciated. Routine expenditures for repairs and maintenance are expensed as incurred. The cost and related accumulated depreciation of property and equipment disposed of are eliminated from the accounts, and any resulting gain or loss is recognized.

Depreciation is provided utilizing the straight-line method. Depreciation expense amounted to \$68,650 and \$70,311 for the years ended June 30, 2004 and 2003, respectively.

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Cash Flows

For purposes of the statement of cash flows, the Organization considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Grants Receivable

At June 30, 2004 and 2003, all of the Organization's grants receivable were considered fully collectible and due within one year.

FAITH HOUSE, INC.**NOTES TO FINANCIAL STATEMENTS****NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***Use of 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.

Advertising

Advertising costs, except for costs associated with direct-response advertising, are charged to operations when incurred. The costs of direct-response advertising are capitalized and amortized over the period during which future benefits are expected to be received. The amount of advertising incurred for the years ended June 30, 2004 and 2003 was \$13,172 and \$5,488, respectively.

Donor-Restricted Funds

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as unrestricted.

Contributed property and equipment is recorded at fair value at the date of donation. Such donations are recorded as unrestricted support unless the donor has restricted the asset to a specific purpose.

Donated Services

The Organization receives donated personal services for fundraising and program services activities which do not qualify for recognition under SFAS No. 116. Accordingly, no value has been reflected in the statements for such donated services; however, these services are very valuable to the Organization's programs. The value of donated services not reflected in the financial statements for the years ended June 30, 2004 and 2003 was \$18,620 and \$19,070, respectively.

Credit Risk

Financial instruments that potentially subject the Organization to credit risk include cash and certificates of deposit. The organization maintains cash and certificates of deposit at several financial institutions. Cash accounts at these institutions are guaranteed by the Federal Deposit Insurance Corporation up to \$100,000 per institution. At June 30, 2004, the Organization exceeded the insured limit by approximately \$78,108.

FAITH HOUSE, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 3: GRANTS

For the years ended June 30, 2004 and 2003, grant revenue consists of the following:

	<u>2004</u>	<u>2003</u>
Acadiana Affiliate of Susan B. Komen	\$6,750	\$2,250
Acadiana Arts Council	620	2,106
Acadiana Legal Services	12,147	9,939
American Disabilities Act	5,400	-
Combined Federal Campaign of Acadiana (CFC)	4,025	6,293
Community Development Block Grant (CDBG)	69,616	-
Crime Victims' Assistance (CVA)	65,971	61,386
Doors of Hope	22,500	22,500
Federal Emergency Management Agency (FEMA)	13,385	12,206
Gannett Foundation	-	6,746
Junior League	5,000	-
Interest on Lawyers' Trust Association (IOLTA)	12,427	14,884
Lafayette Consolidated Government:		
Emergency Shelter Grant – State (ESG)	16,116	16,732
Emergency Shelter Grant – Janitorial (ESG)	7,000	3,328
External Agency	29,078	27,132
Lafayette Parish School Board	2,324	1,100
Louisiana Coalition Against Domestic Violence		
Children's Program	125,199	41,970
Community Outreach	-	17,064
Rural Projects (R-PAP)	48,289	55,847
Urban Projects (U-PAP)	14,689	695
Office of Women's Services		
General	301,168	304,800
Temporary Assistance for Needy Families (TANF)	-	8,464
Rapids Foundation	19,413	15,542
Shelter Angels	10,068	2,340
United Way of Acadiana	85,500	90,000
United Way of St. Landry	16,036	22,410
Violence Against Women Act (VAWA)	19,413	16,830
Private Foundation Grants	<u>1,600</u>	<u>1,500</u>
 Total grant revenue	 <u>\$913,734</u>	 <u>\$764,064</u>

For the years ended June 30, 2004 and 2003, the Organization funded a legal advocate position with the grant received from Interest on Lawyers' Trust Association (IOLTA).

FAITH HOUSE, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 4: NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor-imposed restrictions, as follows:

	<u>2004</u>	<u>2003</u>
Satisfaction of program restrictions	\$81,632	\$71,996

NOTE 5: PROPERTY AND EQUIPMENT

At June 30, 2004 and 2003, property and equipment and the related accumulated depreciation consists of the following:

	<u>2004</u>	<u>2003</u>
Land	\$34,280	\$34,280
Buildings and improvements	1,575,618	1,570,115
Furniture and fixtures	77,738	76,839
Machinery and equipment	166,457	162,660
Automobiles	17,592	15,000
Construction in Progress	<u>69,616</u>	<u>-</u>
	1,941,301	1,858,894
Less: Accumulated depreciation	<u>523,035</u>	<u>469,385</u>
Land, buildings, and equipment, net	<u>\$1,418,266</u>	<u>\$1,389,509</u>

NOTE 6: CERTIFICATES OF DEPOSIT

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Principal</u>
Short-term			
Certificate of deposit	11/26/04	2.75%	\$77,063
Certificate of deposit	04/15/05	1.49%	362
Certificate of deposit	05/04/05	1.73%	63,503
Certificate of deposit	05/14/05	1.09%	<u>76,705</u>
Total short-term			<u>\$217,633</u>
Long-term			
Certificate of deposit	11/14/05	1.25%	<u>\$66,304</u>

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

Jack B. Thibodaux, Jr.
Alan D. Hebert
Norbert A. Deshotels
Phillip P. LeBlanc
Howard C. Schoeffler
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—
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The Officers and Directors
Faith House, Inc.
Lafayette, Louisiana

We have audited the financial statements of Faith House, Inc. (*a nonprofit organization*) as of and for the years ended June 30, 2004 and 2003, and have issued our report thereon dated August 19, 2004.

We conducted our audits 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

In planning and performing our audits of the financial statements of Faith House, Inc. for the years ended June 30, 2004 and 2003, 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 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.

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

We noted no 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 entity's ability to record, process, summarize, and report financial data in a manner that is consistent with the assertions of management in the financial statements.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of the Board of Directors and management of Faith House, Inc. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Shibuelam / Robert Deshalets Letlowe

CERTIFIED PUBLIC ACCOUNTANTS

August 19, 2004

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

Jack B. Thibodaux, Jr.
Alan D. Hebert
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Phillip P. LeBlanc
Howard C. Schoeffler
Wayne B. Hall

The Officers and Directors
Faith House, Inc.
Lafayette, Louisiana

Toby J. Blanchard
John P. Briley
Steven J. Menard
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Judith Q. Stelly

We have audited the financial statements of Faith House, Inc. (*a nonprofit organization*) as of and for the years ended June 30, 2004 and 2003, and have issued our report thereon dated August 19, 2004.

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We conducted our audits 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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Compliance with laws, regulations, contracts, and grants applicable to Faith House, Inc. is the responsibility of management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audits of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the Board of Directors and management of Faith House, Inc. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

J. B. Thibodaux, Jr. Alan D. Hebert Norbert A. Deshorels Phillip P. LeBlanc
CERTIFIED PUBLIC ACCOUNTANTS

August 19, 2004