

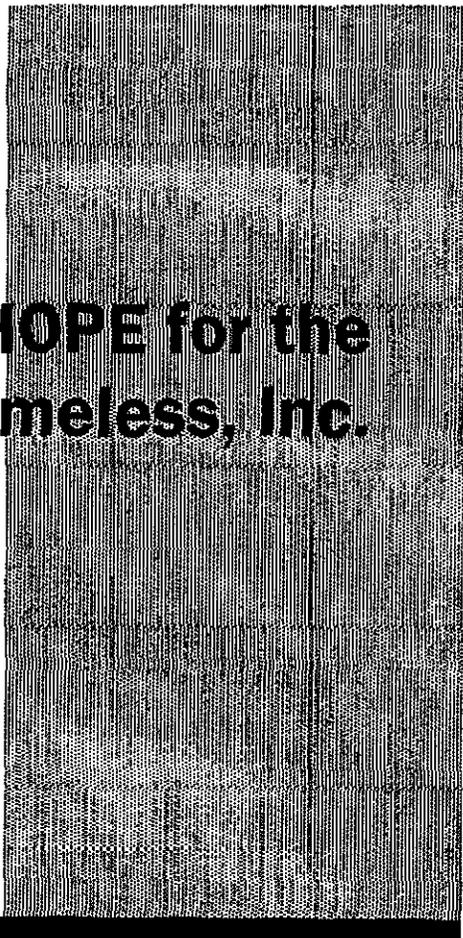
HOPE for the Homeless, Inc.

Financial Statements Years Ended December 31, 2009 and 2008

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

9/15/10



**HOPE for the
Homeless, Inc.**

Financial Statements
Years Ended December 31, 2009 and 2008

HOPE for the Homeless, Inc.

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HOPE for the Homeless, Inc.

Statements of Financial Position

<i>December 31,</i>	2009	2008
Assets		
Cash	\$14,508	\$21,758
Accounts receivable	10,996	1,400
Grants receivable	18,336	66,430
Total current assets	43,840	89,588
Total Assets	\$43,840	\$89,588
Liabilities (all current) and Net Assets		
Current liability – accounts payable and accrued expenses	\$14,973	\$62,353
Net assets – unrestricted	28,867	27,235
	\$43,840	\$89,588

See accompanying accountant's review report, summary of accounting policies and notes to financial statements.



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Report on Reviewed Financial Statements

To the Board of Directors
HOPE for the Homeless, Inc.
Shreveport, Louisiana

I have reviewed the accompanying statement of financial position of HOPE for the Homeless, Inc. ("The Organization") as of December 31, 2009 and the related statements of activities and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of the HOPE for the Homeless, Inc.

A review consists principally of inquiries of organization personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express such an opinion.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

The 2008 financial statements of HOPE for the Homeless, Inc. were reviewed by other accountants whose report December 4, 2009, stated that they were not aware of any material modifications that should be made to those statements in order for them to be in conformity with generally accepted accounting principles.

James K. McClelland, CPA LLC

August 6, 2010

HOPE for the Homeless, Inc.

Statements of Activities

<i>Years Ended December 31,</i>	2009	2008
Revenues and other support:		
Contractual revenue-grants (Note 1)	\$190,456	\$259,745
Service fees	58,702	51,926
Contributions	15,603	48,860
Special events - fundraising	4,590	4,016
Other	113	480
Total revenues and other support	269,464	365,027
Expenses:		
Salary and benefits	166,658	234,850
Assistance	56,905	51,594
Professional services	17,634	39,939
Office supplies and expense	10,236	34,934
Travel and conference	6,605	2,362
Special events	4,800	2,982
Insurance	3,440	6,740
Other	841	425
Board meetings	456	1,039
Postage	257	65
Total expenses	267,832	374,930
Increase (decrease) in net assets	1,632	(9,903)
Net assets-beginning of year	27,235	37,138
Net assets-end of year	\$28,867	\$27,235

See accompanying accountant's review report, summary of accounting policies and notes to financial statements.

HOPE for the Homeless, Inc.

Statements of Cash Flows

<i>Years Ended December 31,</i>	2009	2008
Cash flows from operating activities		
Change in net assets	\$ 1,632	\$ (9,903)
Change in receivables	38,498	(46,756)
Change in account payables and accrued expenses	(47,380)	53,882
Net decrease in cash	(7,250)	(2,777)
Cash at beginning of year	21,758	24,535
Cash at end of year	\$14,508	\$ 21,758

See accompanying accountant's review report, summary of accounting policies and notes to financial statements.

HOPE for the Homeless, Inc.

Summary of Significant Accounting Policies

Nature of Activities

HOPE for the Homeless, Inc. (HOPE), is a nonprofit corporation organized under the laws of the State of Louisiana. HOPE was established to help meet the housing and service needs of the homeless in Northwest Louisiana, and help transition them to self sufficiency. Substantially all of HOPE's revenue is from grants provided by the State of Louisiana, membership and service fees, and donations.

Basis of Accounting

The financial statements of HOPE have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Concentrations of Credit Risk

The majority of HOPE's revenue comes from State of Louisiana grants and service fees paid by local agencies. HOPE is therefore heavily dependent on the State government for its operations.

Income Tax Status

HOPE is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Services as an organization other than a private foundation. HOPE, therefore, is not subject to income taxes.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates. Significant estimates made by management are the collectability of recorded receivables.

Cash and Cash Equivalents

HOPE's cash, as stated for cash flow purposes, consists of cash on hand and demand deposits with financial institutions.

(continued)

HOPE for the Homeless, Inc.
Summary of Significant Accounting Policies
(Continued)

Revenue and Support

Contributions received may be recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Contractual grant revenue is reported as unrestricted support due to the restrictions placed on those funds by the funding sources being met in the same reporting period as the revenue is earned.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other 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 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.

Compensated Absences

Full-time employees begin to earn general leave after six month's employment. Annual leave allowances range from 80 hours per year for employees with less than five years of service to 160 hours per year for employees with over 10 years of service. An employee may accumulate no more than 160 hours annual leave.

Accounts Receivable

Accounts receivable are presented in the accompanying financial statement net of any allowance for doubtful accounts. Management periodically reviews past due accounts to determine if circumstances indicate that all, or a portion, of a customer account will not be collectible. Based on this assessment, management reserves that portion of the receivable deemed to be uncollectible. At December 31, 2009 and 2008, no allowance for doubtful accounts was recorded.

Subsequent Events

Management evaluated events subsequent to the Organization's most recent year end through August 6, 2010, the financial statement issuance date.

HOPE for the Homeless, Inc.

Notes to Financial Statements

1. Revenue and Support

During the year ended December 31, 2009, HOPE received contractual revenue from state grants in the amount of \$174,971. Additionally, HOPE received funding totaling \$15,485 from the United States Department of Housing and Urban Development. The continued existence of these funds is based on periodic contract renewals with various funding sources; amounts renewed may differ significantly from those in existence at December 31, 2009. All revenue from these grants is subject to audit and retroactive adjustment by the respective third-party fiscal intermediaries; adjustments in future periods may be necessary as final grant settlements are determined. Such grant revenue is summarized as follows:

	2009	2008
Louisiana Department of Health and Hospitals	\$117,870	\$142,317
Louisiana Department of Social Services	57,101	117,428
U.S. Department of Housing and Urban Development	15,485	-
	\$190,456	\$259,745

2. Related Party Transactions

HOPE shared the cost of its executive director with Centerpoint Community Services, an information and referral source for human services, including homeless services, in Northwest Louisiana through August 2008. In addition, HOPE operated in facilities provided by Centerpoint through the same time period. During 2008, Centerpoint donated the following estimated services, included in both donation revenue and the respective expense accounts, to HOPE for its operating needs:

	2008
Personnel	\$34,386
Utilities and maintenance	6,413
Use of office equipment	4,202
Office supplies	2,689
	\$47,690

HOPE for the Homeless, Inc.

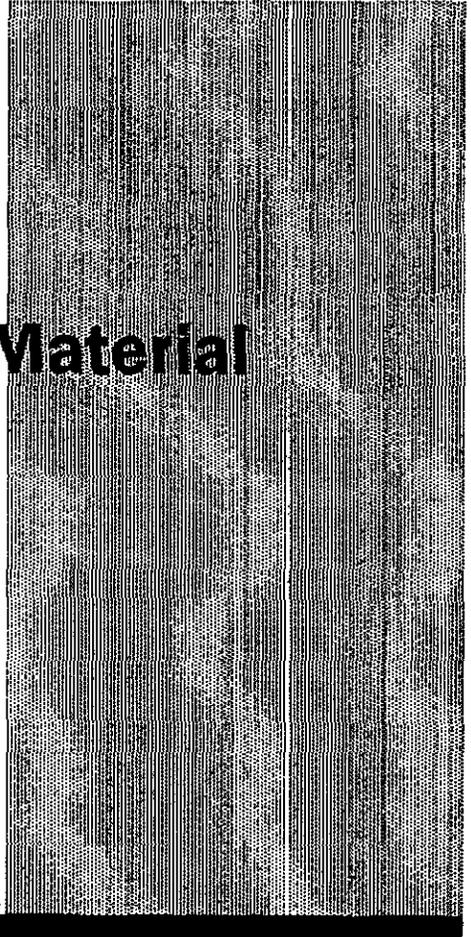
Notes to Financial Statements

(Continued)

3. Contingencies

On August 6, 2010, the Organization was informed that the subrecipient of one of its grants had calculated certain payments on behalf of beneficiaries incorrectly. As a result, the grantor has determined a complete review of the case files, maintained by the subrecipient, is necessary to determine if 1) an overpayment has occurred and 2) the extent of that overpayment. Because the Organization is a pass-through entity, the ultimate effect on the Organization, if any, of this contingency cannot be presently determined.

Supplemental Material





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August 5, 2010

Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Board of Directors,
 HOPE for the Homeless, Inc.
 Shreveport, Louisiana

I have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of HOPE for the Homeless, Inc. (HOPE) and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about HOPE's compliance with certain laws and regulations during the year ended December 31, 2009 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Federal and State Awards

1. Determine the amount of federal and state award expenditures for the fiscal year, by grant, and grant year.

HOPE's federal and state award expenditures for all programs for the fiscal year follow:

Award	Grant Year	Amount
La. Department of Health and Hospitals, Office of Mental Health	7/1/08 – 6/30/09	\$62,996
La. Department of Health and Hospitals, Office of Mental Health	7/1/09 – 6/30/10	54,874
La. Department of Social Services	10/1/08 – 9/30/09	57,101
U.S. Department of Housing and Urban Development	7/1/09-6/30/10	15,485
Total expenditures		\$190,456

2. For each award, I randomly selected six disbursements administered during the period under examination.
3. For the items selected in Procedure 2, I traced the six disbursements to supporting documentation as to proper amount and payee.

I examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee, except:

1. A deposit payment made under the La. Department of Social Services Rapid Rehousing Grant, CFMS 656884, was not supported by a lease agreement. Check number 1211, issued to Roger Christian Realty, in the amount of \$861.00 was paid as a deposit for a lease on a rental unit in the amount of \$415.00 and the grantee's portion of the monthly rental in the amount of \$446.00. A receipt from Roger Christian Realty was included in the billing to the La. Department of Social Services, but the lease included in the billing was for a unit out of which the tenant appeared to be moving and not the unit for which the rent and deposit was being made.
4. For the items selected in Procedure 2, I determined if the six disbursements were properly coded to the correct fund and general ledger account.

All payments were properly coded to the correct fund and general ledger account.

5. For the items selected in Procedure 2, I determined whether the six disbursements received approval from proper authorities.

All items were properly approved.

6. For the items selected in Procedure 2, I determined whether the disbursements complied with the grant agreement, relating to:

Activities allowed or unallowed - I reviewed the previously listed disbursements for types of services allowed or not allowed. All disbursements complied with the allowability requirements.

Eligibility - I reviewed the previously listed disbursements for eligibility requirements. When applicable, all disbursements complied with the eligibility requirements.

Reporting - I reviewed the previously listed disbursements for reporting requirements. When applicable, all disbursements complied with reporting requirements.

7. For the programs selected for testing in item 2 that had been closed out during the period under review, I compared the close-out report, when required, with the entity's financial records to determine whether the amounts agree.

The disbursements selected included two grants that were closed out during the period of our review. I compared the close-out reports for this grant program with the entity's financial records.

The amounts reported on the close-out reports agreed to the entity's financial records for the La. Department of Health and Hospitals, Office of Mental Health Grant DHH 046-217.

The amounts per the La. Department of Social Services Rapid Rehousing Grant, CFMS 656,884, and close-out report reflected expenditures of \$180,420.34 while the records of HOPE for the Homeless, Inc. reflected only \$172,019.52. The variance appears to result from the fact that the close-out report, as prepared by the subcontractor, is prepared from the original billings. There were instances during the period where certain costs were disallowed. When that happens, HOPE for the Homeless, Inc. adjusts its records and pays the subcontractor for only those amounts allowed by the Department of Social Services. Accordingly, while the amounts per the general ledger reflect only actual expenditures allowed and paid by HOPE for the Homeless to the subcontractor under the grant, the subcontractor's close-out report reflected all costs of the program to the subcontractor.

Meetings

8. I examined evidence indicating that agendas for meeting recorded in the minute book were posted as required by LSA-RS 42:1 through 42:12.

HOPE posts a notice of each board or membership meeting on its website, and notifies by e-mail all nonprofits and public entities in North Louisiana of scheduled meetings.

Comprehensive Budget

9. For all grants exceeding five thousand dollars, I determined that each applicable federal or state grantor agency was provided with a comprehensive budget of those grants that included the purpose and duration.

HOPE provided comprehensive budgets to the applicable state grantor agencies for the programs mentioned previously. These budgets specified the anticipated uses of the funds, estimates of the duration of the projects, and plans showing specific goals and objectives that included measures of performance.

Prior Comments and Recommendations

10. I reviewed any prior-year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

Comment number 2008-1, Engagement Completion, was repeated again in 2009.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of HOPE for the Homeless, Inc., the Legislative Auditor (State of Louisiana), and the applicable state grantor agencies, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Certified Public Accountant

Shreveport, Louisiana
August 5, 2010

**LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-public Agencies)**

June 17, 2010

James K. McClelland, CPA LLC
7330 Fern Avenue, Suite 1104
Shreveport, Louisiana 71105

In connection with your review of our financial statements as of December 31, 2009 and for the period then ended, and as required by Louisiana Revised Statute 24:613 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of June 17, 2009.

Federal, State, and Local Awards

We have detailed for you the amount of federal, state and local award expenditures for the fiscal year, by grant and grant year. Yes X No []

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and grantor officials.

Yes X No []

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation. Yes X No []

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements. Yes X No []

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:1 through 42:13 (the open meetings law) Yes X No []

Budget

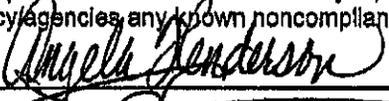
For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance. Yes X No []

Prior Year Comments

We have resolved all prior-year recommendations and/or comments. Yes X No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the federal, state, and local grants, to include the applicable laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We will also disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

	Secretary	June 17, 2010	Date
	Treasurer	June 17, 2010	Date
	President	June 17, 2010	Date

HOPE for the Homeless, Inc.
Schedule of Findings
December 31, 2009

2009-01 Engagement Completion

Instance of non-compliance:

HOPE for the Homeless, Inc. failed to comply with state law (LA R.S. 24:513) since the annual report for the year ended December 31, 2009 was not submitted to the Louisiana Legislative Auditor's Office until after June 30, 2010, the statutory due date.

Reason for noncompliance:

Due to unforeseen circumstances, the accountant performing the review and agreed-upon procedures, was not able to complete the engagement until late July 2010.

Management's plan of corrective action:

Management agrees with this finding, but believes this occurrence was beyond their control and that all future required reports should be filed on a timely basis.

2009-02 Failure to document expense

Instance of non-compliance:

HOPE for the Homeless, Inc. is required, under its La. Department of Social Services Rapid Rehousing Grant, CFMS 656884 to adequately document all expenditures. One expenditure for which HOPE requested payment was not supported by a signed lease agreement.

Reason for noncompliance:

HOPE relies upon the subgrantee to provide the appropriate documentation and upon the Department of Social Services review to disclose any unallowable costs. In this case, the Department of Social Services review did not disclose the error.

Management's plan of corrective action:

Management agrees with this finding and will direct the subgrantee to provide the appropriate documentation.