

DRUG AWARENESS/TUTORING FUND
of
NEW WAY CENTER, INCORPORATED
Monroe, Louisiana

**FINANCIAL STATEMENTS,
COMPILATION REPORT
AND AGREED UPON PROCEDURES**
As of And for The Year Ended June 30, 2004

BY

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 in the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date: 10-16-04

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OF
NEW WAY CENTER, INCORPORATED
Monroe, Louisiana**

**FINANCIAL STATEMENTS,
COMPILATION REPORT
AND AGREED UPON PROCEDURES
As of And for The Year Ended June 30, 1994**

**DRUG AWARENESS/TUTORING FUND
OF
NEW WAY CENTER, INCORPORATED
Monroe, Louisiana**

**Financial Statements,
Compilation Report
And Agreed Upon Procedures
As of and for the Year Ended June 30, 2004**

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Compilation Report

To the Board of Directors of
Drug Awareness/Tutoring Fund
of New Way Center, Incorporated

I have compiled the accompanying statement of financial position for Drug Awareness/Tutoring Fund of New Way Center, Incorporated (a nonprofit organization) as of June 30, 2004, and the related statements of activities and changes in net assets, cash flows, and functional expenses 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.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Rosie D. Harper
Certified Public Accountant

Monroe, Louisiana
September 9, 2004

FINANCIAL STATEMENTS

DRUG AWARENESS/TUTORING FUND
OF
NEW WAY CENTER, INCORPORATED
Statement of Financial Position
June 30, 2004

Statement A

Assets	
Cash	\$ 883
Accounts Receivable	<u>11,312</u>
Total Assets	<u>12,195</u>
Liabilities	
Liabilities	
Accrued Liabilities	<u>12,195</u>
Total Liabilities	<u>12,195</u>
Total Liabilities & Net Assets	<u>\$ 12,195</u>

See Accompanying Compilation Report and Notes to Financial Statements.

DRUG AWARENESS/TUTORING FUND
OF
NEW WAY CENTER, INCORPORATED
Statement of Activities
For the Year Ended
June 30, 2004

Schedule B

Unrestricted Net Assets

Net Assets Released from Restrictions	
Restrictions Satisfied by Payments	<u>\$ 48,724</u>
Total Unrestricted Support and Reclassification	<u>48,724</u>

Expense

Program Expense	<u>48,724</u>
Total Expense	<u>48,724</u>
Change in Unrestricted Net Assets	<u>-</u>

Temporarily Restricted Net Assets

Grants	
State	48,724
Net Assets Released from Restrictions	
Restrictions Satisfied by Payments	<u>(48,724)</u>
Change in Temporarily Restricted Net Assets	<u>-</u>

Change in Net Assets	<u>0</u>
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Net Assets as of Beginning of the Year	<u>-</u>
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Net Assets as of End of Year	<u>\$ -</u>
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See Accompanying Compilation Report and Notes to Financial Statements.

DELIC AWARENESS/TUTORING FUND
OF
NEW WAY CENTER, INCORPORATED
Statement of Cash Flows
For the Year Ended
June 30, 2004

Statement C

Operating Activities	
Change in Net Assets	\$ -
Adjustments to Reconcile Net Income to Net Cash Provided by Operations:	
Increase in Accounts Receivable	(7,022)
Increase in Accrued Liabilities	3,637
Net Cash Provided by Operating Activities	<u>(3,385)</u>
Net Cash Increase for Period	(3,385)
Cash at Beginning of Period	<u>4,268</u>
Cash at End of Period	<u>\$ 883</u>

See Accompanying Compilation Report and Notes to Financial Statements.

DRUG AWARENESS/TUTORING FUND
OF
NEW WAY CENTER, INCORPORATED
Statement of Functional Expenses
For the Year Ended
June 30, 2004

Statement D

Personal Costs		
Wages and Salaries	\$	28,371
Payroll Taxes and Other Fringe Benefits		<u>2,298</u>
Total Personal Costs		30,669
Other Expenses		
Capital Outlay		2,037
Operating Services		8,827
Professional Services		4,488
Travel		69
Supplies		<u>3,476</u>
Total Other Expenses		<u>18,897</u>
Total Functional Expenses	\$	<u>49,566</u>

See Accompanying Compilation Report and Notes to Financial Statements.

Drug Awareness/Tutoring Fund
of
New Way Center, Incorporated
Monroe, Louisiana

Notes to the Financial Statement
As of and for the Year Ended June 30, 2004

NOTE A-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

New Way Center, Incorporated (a private non-profit organization) is 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 Organization is community-based drug-in and referral Center which offers counseling, educational services and a study program. It is supported primarily through a state grant from the Louisiana Department of Health and Human Resources, Office of Addictive Disorders. The objectives of the Organization are, primarily, to reduce the annual incidence of drug abuse among youth from 10 to 14 years of age, to enhance the self-image of such enrollees by reproducing experience directly related to academic achievement, to identify drug users and potential users for referral to appropriate agencies, and to provide limited transportation into the Organization. A Board of Directors governs the Organization. The Board Members receive no compensation.

Basis of Presentation

For the period ending June 30, 2004, 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 value. Statement No. 117 establishes standards for general-purpose external financial statements of not -for-profit organizations and requires a statement of financial position, a statement of activities, and a statement of cash flows.

Public Support and Revenues

In order to comply with restrictions that donors place on grants and other gifts as well as designations made by its governing board, the principles of reporting net assets are used. Revenue and public support consists mainly of state and private grants, fundraising, and contributions. Grants and other 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. Contributions are considered to be unrestricted unless restricted by the donor.

Drug Awareness/Tutoring Fund of New Way Center, Incorporated
Notes to Financial Statements (Continued)

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with maturity of three 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. The Organization had no cash equivalents during the audit period. On June 30, 2004, Drug Awareness/Tutoring Fund of New Way Center, Incorporated had cash totaling \$883 as follows:

	Temporarily Restricted
Drug Awareness/Tutoring	<u>\$ 883</u>
Total Cash	<u>\$ 883</u>

NOTE B-PENSION PLAN

The Organization does not have a retirement program for its employees and the employees are not members of the State of Louisiana Retirement System. All employees of the Organization are members of the Social Security System. In addition to the employees' contribution of 7.65 percent, the agency contributes an equal amount to the Social Security System. Pension cost for the year was \$2,170. The Organization does not guarantee the benefits granted by the Social Security System.

NOTE C-FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE D-GRANT RECEIVABLE

At June 30, 2004, the Organization had grant receivables as follows:

Louisiana Department of Health and Hospitals	<u>\$ 11,312</u>
Total	<u>\$ 11,312</u>

Drug Awareness/Tutoring Fund of New Way Center, Incorporated
Notes to Financial Statements (Continued)

NOTE E-ACCRUED LIABILITIES

At June 30, 2004, the Organization had accrued liabilities totaling \$13,195.

Accounts Payable	\$ 9,936
Payroll Liabilities	<u>2,259</u>
Total	<u>\$ 12,195</u>

NOTE F-BUDGET PRACTICES

The Organization prepares an annual budget that is approved by the Board of Directors prior to being submitted to the granting authority. Budgeted amounts are monitored by the Fiscal Officer to ensure the budget is not exceeded.

NOTE G-PROPERTY, PLANT, AND EQUIPMENT

No depreciation is recorded on assets because the cost of the assets is expensed in the year of acquisition as capital outlay. Assets acquired by gift or bequest are recorded at fair market value at the date of transfer. Assets purchased by the Organization are recorded at cost.



**Independent Accountant's Report
on Applying Agreed-Upon Procedures**

To the Management of
New Way Center, Incorporated
Metairie, Louisiana

I have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of the New Way Center, Incorporated, the Legislative Auditor, State of Louisiana, and applicable nine greater agency/agencies solely to assist the users in evaluating management's assertions about the Drug Awareness/Taxing Fund of New Way Center, Incorporated's, compliance with certain laws and regulations during the year ended June 30, 2004 included in the accompanying *Louisiana Assertion 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, State, and Local Awards

1. Enumerate the amount of Federal, State and Local Award Expenditures for the fiscal year, by grant and grant year.

The Drug Awareness/Taxing Fund of New Way Center, Incorporated's Federal award expenditures for all Federal programs for the fiscal year follow:

Award Grant Name	Grant Year	CFDA	Amount
Office of Addictive Disorders, Department of Health and Human Resources	06/04	N/A	\$48,724
Total State Expenditures			\$48,724

Drug Awareness/Tutoring Fund of New Way Center, Incorporated
Independent Accountant's Report on Applying Agreed-Upon Procedures
(Continued)

2. For each Federal, State, and Local Award, I randomly selected 6 disbursements from each award administered during the period under examination, provided that no more than 30 disbursements would be selected.

3. For the items selected in Procedure 1, 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.

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 six of the 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.

Inspection of documentation supporting each of the six selected disbursements indicated approvals from the board of directors.

6. For the items selected in Procedure 2: For federal awards, I determined whether the disbursements complied with the applicable specific program compliance requirements summarized in the Compliance Supplement (or contained in the grant agreement, if the program is not included in the Compliance Supplement) and for state and local awards, 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. Each of the six disbursements did comply with the allowability requirements of the program.

Eligibility

I reviewed each of the previously six disbursements for eligibility requirements. Each of tested disbursements did comply with eligibility of the program.

Reporting

I reviewed each of the previously six disbursements for reporting requirements. Each of the tested disbursements did comply with the reporting requirements of the program.

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

**Drug Awareness/Tutoring Fund of New Way Center, Incorporated
Independent Accountant's Report on Applying Agreed-Upon Procedures
(Continued)**

When each of the six items tested in procedure (2) data were compared with the close out reports, the amount in the close out report agreed with the entity's financial records.

Open Meetings

3. N/A

Comprehensive Budget

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

The Drug Awareness/Tutoring Fund of New Way Center, Incorporated 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

13. N/A

This report is intended solely for the use of management of The Drug Awareness/Tutoring Fund of New Way Center, Incorporated, the Legislative Auditor (State of Louisiana), and the applicable state grantor agency/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.



Rodie G. Harper
Certified Public Accountant
September 3, 2004

LOUISIANA ATTENDANCE QUESTIONNAIRE

September 8, 2004

Rosie D. Harper, CPA
141 DeLard Street, Suite 325
Monroe, Louisiana 71202

In connection with your compilation of our financial statements as of June 30, 2004 and for the period then ended, and as required by Louisiana Revised Statute 24:513 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 regulations 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.

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 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 No

The reports filed with federal, state, and local agencies are properly supported by books or original copy and supporting documentation.

Yes No

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include systems contained in the Compliance Supplement.

Louisiana Attestation Questionnaire (Continued)

matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes No

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by LA-RS 42:1 through 42:12 (the open meetings law).

Yes 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 No

Prior Year Comments

We have resolved all prior-year recommendations and/or comments. *NO*

Yes 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, which may occur up to the date of your report.

Conis-Op Henderson Secretary September 9, 2004 Date *4/10/04*

Treasurer September 9, 2004 Date

Lillie Hunter President September 9, 2004 Date