

**DRUG AWARENESS/TUTORING FUND
OF
NEW WAY CENTER, INCORPORATED
MONROE, LOUISIANA**

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
WITH SUPPLEMENTAL INFORMATION
As of And for The Year Ended June 30, 2001**



ROSIE D. HARPER

Certified Public Accountant

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INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying statement of financial position of the Drug Awareness/Tutoring Fund of New Way Center, Incorporated (a nonprofit organization) as of June 30, 2001, 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 the Drug Awareness/Tutoring Fund of New Way Center, Incorporated as of June 30, 2001, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

INDEPENDENT AUDITORS REPORT

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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.

A handwritten signature in cursive script, reading "Rosie D. Harper".

Rosie D. Harper
Certified Public Accountant

Monroe, Louisiana
December 18, 2001

FINANCIAL STATEMENTS

DRUG AWARENESS-TUTORING FUND
OF
NEW WAY CENTER, INCORPORATED
Statement of Financial Position
June 30, 2001

Assets

Cash and Cash Equivalents	\$ 293
Grant Receivable	7,841
Property and Equipment	<u>72,753</u>
Total Assets	<u><u>80,887</u></u>

Liabilities and Net Assets

Liabilities:

Accrued Liabilities	<u>7,689</u>
Total liabilities	<u>7,689</u>

Net Assets:

Unrestricted:

Operating	445
Investment in Fixed assets	<u>72,753</u>
Total Unrestricted	<u>73,198</u>

Temporarily Restricted:

	<u>-</u>
Total Net Assets	<u>73,198</u>

Total Liabilities and Net Assets	<u><u>\$ 80,887</u></u>
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See accompanying notes to financial statements.

DRUG AWARENESS-TUTORING FUND
OF
NEW WAY CENTER, INCORPORATED
Statement of Activities
For the Year Ended
June 30, 2001

Statement B

UNRESTRICTED NET ASSETS

Net assets released from restrictions

Restrictions Satisfied by Payments

46,760

**TOTAL UNRESTRICTED SUPPORT AND
RECLASSIFICATION**

46,760

Expenses

General and Administrative Expenses

17,383

Program Expense

29,377

Total Expenses

46,760

Change in Unrestricted Net Assets

-

TEMPORARILY RESTRICTED NET ASSETS

Grants

State

46,760

Net Assets Released from Restrictions

Restrictions Satisfied by Payments

(46,760)

Change in Temporarily Restricted Net Assets

-

Change in Net Assets

-

Net Assets as of beginning of Year

73,198

Net Assets as of end of Year

73,198

See accompanying notes to financial statements.

DRUG AWARENESS-TUTORING FUND
OF
NEW WAY CENTER, INCORPORATED
Statement of Cash Flows
For the Year Ended
June 30, 2001

Operating Activities	<u>All Funds</u>
Change in Net Assets	\$ -
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Decrease (Increase) in Grants Receivable	4,045
Increase (Decrease) in Accounts Payable/Accrued Liabilities	(9,193)
Prior Period Adjustment	-
Total Adjustments	<u>(5,148)</u>
Net Cash Provided by Operating Activities	<u>(5,148)</u>
Cash and Cash Equivalents as of beginning of Year	<u>5,441</u>
Cash and Cash Equivalents as of the End of Year	<u><u>\$ 293</u></u>

See accompanying notes to financial statements.

DRUG AWARENESS-TUTORING FUND
OF
NEW WAY CENTER, INCORPORATED
Statement of Functional Expenses

For the Year Ended
June 30, 2001

	<u>General and Administrative</u>	<u>Program Services</u>	<u>Total Expenses</u>
Personnel Costs			
Wages and Salaries	\$ 9,972	\$ 15,533	\$ 25,505
Payroll Taxes and Other Fringe Benefits	765	1,287	2,052
Total Personnel Costs	<u>10,737</u>	<u>16,820</u>	<u>27,557</u>
Other Expenses			
Automotive Repairs	-	1,877	1,877
Automotive Supplies	-	1,446	1,446
Educational Supplies	-	369	369
Food Supplies	-	1,605	1,605
Insurance	-	1,417	1,417
Licenses and Fees	600	-	600
Maintenance-Other Equipment	-	350	350
Office Supplies	428	-	428
Postage and Delivery	48	-	48
Professional Fees	2,750	5,493	8,243
Utilities	2,820	-	2,820
Total Other Expenses	<u>6,646</u>	<u>12,557</u>	<u>19,203</u>
Total Functional Expenses	<u>\$ 17,383</u>	<u>\$ 29,377</u>	<u>\$ 46,760</u>

See accompanying 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, 2001**

NOTE A-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Drug Awareness/Tutoring Fund of 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 drop-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 Hospitals, Office of Alcohol and Drug Abuse. The objectives of the Organization are, primarily, to reduce the annual incidence of drug abuse among youth from 10 to 18 years of age, to enhance the self-image of each enrollee 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, 2001, 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 requires a statement of financial position, a statement of activities, and a statement of cash flows.

Public Support and Revenue

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

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

restrictions or restrictions designated by the governing board. Contributions are considered to be unrestricted unless restricted by the donor

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, 2001, Drug Awareness/Tutoring Fund of New Way Center, Incorporated had cash totaling \$293 as follows:

Unrestricted	\$	-
Temporarily Restricted		<u>293</u>
Total Cash	\$	<u><u>293</u></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 \$1951. 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, 2001, the Organization had grant receivables as follows:

Louisiana Department of Health and Hospitals	\$ 7,841
	<u> </u>
Total	<u>\$ 7,841</u>

NOTE E-ACCRUED LIABILITIES

At June 30, 2001, the Organization had accrued liabilities totaling \$7,689.

Accounts Payable	\$ 6,728
Payroll Liabilities	<u>961</u>
	<u> </u>
Total	<u>\$ 7,689</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 maintained 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. 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 Investments in Fixed Assets under net assets. A summary of changes in property, plant and equipment for the year ended June 30, 2001 is as follows:

Beginning 7/1/00	\$ 72,753
Additions	-
Deletions	<u>-</u>
	<u> </u>
Ending 6/30/01	<u>\$ 72,753</u>



ROSIE D. HARPER

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

I have audited the statement of financial position of the Drug Awareness/Tutoring Fund of New Way Center, Incorporated as of and for the year ended June 30, 2001, and have issued my report thereon dated December 18, 2001. 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 the Drug Awareness/Tutoring Fund of New Way Center, Incorporated's 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 the Drug Awareness/Tutoring Fund of New Way Center, Incorporated's 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. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be considered material weaknesses. 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

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

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. I noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the Management, the Legislative auditor, the Louisiana Department of Human Service and Management and is not intended to be and should not be used by anyone other than these specified parties.



Rosie D. Harper
Certified Public Accountant

December 18, 2001
Monroe, Louisiana

SUPPLEMENTAL INFORMATION

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

SCHEDULE OF FUND DESCRIPTIONS

As of and for the Year Ended June 30, 2001

The Drug Awareness-Tutoring Fund accounts for the administration of funds provided by the Louisiana Department of Health and Hospitals, Office of Human Services, Division of Alcohol and Drug Abuse. Revenues are used to provide drug awareness, tutoring, skill development, research, study assistance, creative arts, educational games, cultural activities, recreational games, and direct and constant supervision.

DRUG AWARENESS/TUTORING FUND
OF
NEW WAY CENTER, INCORPORATED

(General Fund)
Statement of Activities -Budget to Actual
For the Year Ended June 30, 2001

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Revenue			
State Grants	\$ 47,100	\$ 46,760	\$ 340
Other Grants	-	-	-
Total revenue	<u>47,100</u>	<u>46,760</u>	<u>340</u>
 Personnel Costs			
Salaries and wages	25,505	25,505	-
Payroll taxes and other fringe benefits	2,052	2,052	-
Total personnel costs	<u>27,557</u>	<u>27,557</u>	<u>-</u>
 Othe Expenses			
Operating Services	7,181	7,112	69
Professional Services	8,246	8,243	3
Operating Supplies	4,116	3,848	268
Total other expenses	<u>19,543</u>	<u>19,203</u>	<u>340</u>
Total expenses	<u>47,100</u>	<u>46,760</u>	<u>340</u>
 Change in net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>