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**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, 2000**

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 2-28-01

**DRUG AWARENESS/TUTORING FUND  
OF  
NEW WAY CENTER, INCORPORATED  
Monroe, Louisiana  
Financial Statements  
and Independent Auditor's Report  
As of and for the Year Ended June 30, 2000**

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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, 2000, 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, 2000, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

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.

INDEPENDENT AUDITORS REPORT

Page 2

A handwritten signature in cursive script that reads "Rosie D. Harper".

Rosie D. Harper  
Certified Public Accountant

Monroe, Louisiana  
December 19, 2000

# **FINANCIAL STATEMENTS**

DRUG AWARENESS-TUTORING FUND  
OF  
NEW WAY CENTER, INCORPORATED  
Statement of Financial Position  
June 30, 2000

**Assets**

Cash and Cash Equivalents	\$ 5,442
Grant Receivable	11,886
Property and Equipment	<u>72,753</u>
Total Assets	<u><u>90,081</u></u>

**Liabilities and Net Assets**

## Liabilities:

Accrued Liabilities	<u>16,883</u>
Total liabilities	<u>16,883</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>\$ 90,081</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, 2000

Statement B

**UNRESTRICTED NET ASSETS**

**Net assets released from restrictions**

Restrictions Satisfied by Payments

62,923

**TOTAL UNRESTRICTED SUPPORT AND  
RECLASSIFICATION**

62,923

**Expenses**

General and Administrative Expenses

19,566

Program Expense

43,357

Total Expenses

62,923

Change in Unrestricted Net Assets

-

**TEMPORARILY RESTRICTED NET ASSETS**

Grants

State

62,923

Net Assets Released from Restrictions

Restrictions Satisfied by Payments

(62,923)

Change in Temporarily Restricted Net Assets

-

Change in Net Assets

-

Net Assets as of beginning of Year

72,608

Other Changes in Unrestricted Net Assets

Investment in Fixed Assets

590

Total Other Changes in Net Assets

590

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, 2000

<b>Operating Activities</b>	<u><b>All Funds</b></u>
Change in Net Assets	\$ -
Adjustments to Reconcile Change in Net Assets to Net	
Cash Provided by Operating Activities:	
Decrease (Increase) in Grants Receivable	1,544
Increase (Decrease) in Accounts Payable/Accrued Liabilities	(836)
Prior Period Adjustment	-
Total Adjustments	<u>708</u>
Net Cash Provided by Operating Activities	<u>708</u>
Cash and Cash Equivalents as of beginning of Year	4,734
Cash and Cash Equivalents as of the End of Year	<u><u>\$ 5,442</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, 2000

	<u>General and Administrative</u>	<u>Program Services</u>	<u>Total Expenses</u>
<b>Personnel Costs</b>			
Wages and Salaries	10,560	25,502	36,062
Payroll Taxes and Other Fringe Benefits	829	2,005	2,834
<b>Total Personnel Costs</b>	<u>11,389</u>	<u>27,507</u>	<u>38,896</u>
<b>Other Expenses</b>			
Advertising	-	50	50
Automotive Repairs	-	1,461	1,461
Automotive Supplies	-	1,784	1,784
Board Recognition	324	6	330
Capital Outlay	590	-	590
Educational Supplies	-	579	579
Food Supplies	-	1,775	1,775
Insurance	-	1,875	1,875
Licenses and Fees	600	-	600
Maintenance-Other Equipment	295	-	295
Miscellaneous	185	-	185
Office Supplies	-	905	905
Postage and Delivery	33	-	33
Professional Fees	2,550	7,415	9,965
Utilities	3,600	-	3,600
	<u>8,177</u>	<u>15,850</u>	<u>24,027</u>
<b>Total Other Expenses</b>			
<b>Total Functional Expenses</b>	<u><u>19,566</u></u>	<u><u>43,357</u></u>	<u><u>62,923</u></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, 2000**

**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, 2000, the Organization adopted 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 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  
Monroe, Louisiana  
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 twelve 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, 2000, Drug Awareness/Tutoring Fund of New Way Center, Incorporated had cash totaling \$5,422 as follows:

Unrestricted	\$ -
Temporarily Restricted	<u>5,442</u>
Total Cash	<u>\$ 5,442</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 \$2,759. 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.

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

**NOTE D-GRANT RECEIVABLE**

At June 30, 2000, the Organization had grant receivables as follows:

Louisiana Department of Health and Hospitals	<u>\$ 11,886</u>
Total	<u>\$ 11,886</u>

**NOTE E-ACCRUED LIABILITIES**

At June 30, 2000, the Organization had accrued liabilities totaling \$16,883.

Accounts Payable	\$ 11,444
Due to State of Louisiana	164
Salaries	4,561
Taxes Payable	<u>714</u>
Total	<u>\$ 16,883</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, 2000 is as follows:

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

Beginning 7/1/99	\$ 72,163
Additions	590
Deletions	<u>-</u>
Ending 6/30/00	<u>\$ 72,753</u>



ROSIE D. HARPER

Certified Public Accountant

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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, 2000, and have issued my report thereon dated December 19, 2000. 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. However, I noted no matters involving the internal control over financial reporting and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could adversely affect the Drug Awareness/Tutoring Fund of New Way

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)

Center, Incorporated's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

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. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered 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. However, this report is a matter of public record and its distribution is not limited.



Rosie D. Harper  
Certified Public Accountant

December 19, 2000  
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, 200

DRUG AWARENESS/TUTORING FUND

The Drug Awareness-Tutoring Fund is used to account 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, 2000

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenue</b>			
State Grants	\$ 64,288	\$ 62,923	\$ 1,365
Other Grants	-	-	-
<b>Total revenue</b>	<u>64,288</u>	<u>62,923</u>	<u>1,365</u>
 <b>Personnel Costs</b>			
Salaries and wages	36,108	36,062	46
Payroll taxes and other fringe benefits	<u>3,927</u>	<u>2,834</u>	<u>1,093</u>
<b>Total personnel costs</b>	40,035	38,896	1,139
 <b>Other Expenses</b>			
Personnel Travel	-	-	-
Operating Services	8,329	8,429	(100)
Professional Services	10,291	9,965	326
Operating Supplies	5,043	5,043	-
Capital Outlays	<u>590</u>	<u>590</u>	<u>-</u>
<b>Total other expenses</b>	<u>24,253</u>	<u>24,027</u>	<u>226</u>
<b>Total expenses</b>	<u>64,288</u>	<u>62,923</u>	<u>1,365</u>
 <b>Change in net assets</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>