

**NEW LIFE FOR WOMEN, INC.
(A NON PROFIT ORGANIZATION)**

FINANCIAL STATEMENTS

AUGUST 31, 2006

**NEW LIFE FOR WOMEN, INC.
(A NON PROFIT ORGANIZATION)**

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Lyle, Walker & Co., P.A.

CERTIFIED PUBLIC ACCOUNTANTS

David L. Lyle, CPA
Gary L. Walker, CPA
Jessica Lea Minter, CPA, PFS, CFP

MEMBERS
American Institute of
Certified Public Accountants
Mississippi Society of
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

**Board of Directors
New Life for Women, Inc.
Jackson, Mississippi**

We have audited the accompanying statement of financial position of New Life for Women Inc., (a non profit organization) as of August 31, 2006, and the related statements of activities, functional expenses, and cash flows for the year 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 audit.

We conducted our audit 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 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides 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 New Life for Women, Inc., as of August 31, 2006, and the changes in its net assets and its cash flows for the year 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 our report dated May 7, 2007, on our consideration of New Life for Women, Inc., internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Lyle Walker & Co., P.A.

May 7, 2007

**NEW LIFE FOR WOMEN, INC.
(A NON PROFIT ORGANIZATION)**

**STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2006**

ASSETS	
CURRENT ASSETS	
Cash	\$ 7,001
Client savings on hand	6,000
Accounts receivable	1,081
Contribution receivable - United Way	18,617
	<u>32,699</u>
FIXED ASSETS	
Furniture, fixtures, and equipment	89,110
Leasehold improvements	42,194
Vehicles	25,864
	<u>157,168</u>
Less: accumulated depreciation	(91,277)
Total fixed assets	<u>65,891</u>
OTHER ASSETS	
Deposits	<u>1,986</u>
TOTAL ASSETS	\$ <u>100,576</u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable	\$ 23,623
Savings due to clients	6,000
Accrued rent	9,067
	<u>38,690</u>
NET ASSETS	
Temporarily restricted	18,617
Unrestricted	43,269
	<u>61,886</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>100,576</u>

See accompanying notes to financial statements.

**NEW LIFE FOR WOMEN, INC.
(A NON PROFIT ORGANIZATION)**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2006**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE AND OTHER SUPPORT			
Client fees	\$ 46,405	\$ -	\$ 46,405
Grants	-	372,342	372,342
United Way	-	22,341	22,341
Donations	19,233	-	19,233
Other	1,599	-	1,599
Net assets released from restrictions	396,156	(396,156)	-
Total revenue and other support	<u>463,393</u>	<u>(1,473)</u>	<u>461,920</u>
EXPENSES			
Program Services	419,211	-	419,211
Supporting Services	66,250	-	66,250
Total expenses	<u>485,461</u>	<u>-</u>	<u>485,461</u>
INCREASE(DECREASE) IN NET ASSETS	(22,068)	(1,473)	(23,541)
NET ASSETS - BEGINNING OF YEAR			
As restated	<u>65,337</u>	<u>20,090</u>	<u>85,427</u>
NET ASSETS - END OF YEAR	<u>\$ 43,269</u>	<u>\$ 18,617</u>	<u>\$ 61,886</u>

See accompanying notes to financial statements.

**NEW LIFE FOR WOMEN, INC.
(A NON PROFIT ORGANIZATION)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2006**

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ (23,541)
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	9,279
Decrease in accounts receivables	9,780
Increase in accounts payable and accrued liabilities	9,512
Net cash provided by operating activities	<u>5,030</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of fixed assets	<u>(6,244)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,214)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>8,215</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 7,001</u></u>

See accompanying notes to financial statements.

**NEW LIFE FOR WOMEN, INC.
(A NON PROFIT ORGANIZATION)**

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2006**

	Treatment and Rehabilitation	Support Services	Total
Auto	\$ 5,326	\$ 796	\$ 6,122
Depreciation	9,001	278	9,279
Food	1,482	-	1,482
Housing fees	54,397	-	54,397
Insurance	38,833	5,803	44,636
Occupancy	4,791	4,208	8,999
Payroll taxes	17,344	2,592	19,936
Professional fees	13,352	19,419	32,771
Rent	19,617	607	20,224
Repairs and maintenance	18,439	570	19,009
Salary	195,289	29,181	224,470
Supplies and other	14,689	1,972	16,661
Telephone and utilities	26,651	824	27,475
	<u>\$ 419,211</u>	<u>\$ 66,250</u>	<u>\$ 485,461</u>

See accompanying notes to financial statements.

NEW LIFE FOR WOMEN, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of New Life for Women, Inc. (the Organization) have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Organization

The Organization is a not-for-profit corporation chartered in the State of Mississippi in 1989. The Organization's mission is to provide women with the disease of drug and/or alcohol addiction the opportunity to start their lives over as fully productive, contributing members of their families and their community.

Basis of Presentation

The Organization prepares its financial statements in accordance with generally accepted accounting principles. Accordingly, the Organization reports information regarding its financial position and activities according to three classes of net - unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. As of August 31, 2006, there were no permanently restricted net assets.

Income Taxes

The Organization has been granted exempt status under Section 501(c)(3) of the Internal Revenue Code.

Property and Equipment and Depreciation

Property and equipment are recorded at cost, or if contributed, at fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such restrictions, contributions of property and equipment are recorded as unrestricted support. Maintenance and repairs are charged to expense as incurred. Depreciation is computed using the straight-line method over the estimated useful life of the asset.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

NEW LIFE FOR WOMEN, INC.

NOTES TO FINANCIAL STATEMENTS

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Cash and Cash Equivalents

Cash equivalents consist of highly liquid investments with an initial maturity of three months or less.

NOTE 2 - REVENUE

Client fees consist of fees paid by the Mississippi Department of Vocational Rehabilitation and private pay and processing fees from clients. Grants are received from federal and state agencies and other charities.

Any of the funding sources may, at its discretion, request reimbursement for expenses or return of funds, or both, as a result on non-compliance by New Life for Women, Inc. with the terms of the grants/contracts.

NOTE 3 - RELATED PARTY TRANSACTIONS

The Bridge Corporation owns the building rented by New Life for Women, Inc. Its Board consists of members of New Life for Women, Inc.'s Board. Funds of the Bridge Corporation are not commingled with New Life for Women, Inc.; therefore, the Bridge Corporation's financial statements are not included in these financial statements. New Life for Women, Inc. paid rent in the amount of \$11,157 during the year ended August 31, 2006. The organization owed rent of \$9,067 to Bridge Corporation at August 31, 2006.

NOTE 4 - CONTINGENCIES

Concentration of Support

The Organization receives a substantial amount of its support from governmental sources. A significant reduction in the level of this support, if this were to occur, may have an effect on the Organization's programs and activities.

NOTE 5 - DONATED SERVICES

The organization receives a significant amount of donated services from unpaid volunteers. No amounts have been recognized in the statement of activities because the criteria for recognition under SFAS No. 116 have not been satisfied.

NEW LIFE FOR WOMEN, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 6 - 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.

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

Board of Directors
New Life for Women, Inc.
Jackson, Mississippi

We have audited the financial statements of New Life for Women, Inc., (a nonprofit organization) as of and for the year ended August 31, 2006, and have issued our report thereon dated May 7, 2007. We conducted our 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 New Life for Women, Inc., financial statements are free of material misstatement, we 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 our audit, and 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*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered New Life for Women, Inc., internal control over financial reporting 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 over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect New Life for Women, Inc., organization's ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item 1.

A material weakness is a reportable 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 caused by error or fraud 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. Our 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. However, we consider the reportable condition described above to be a material weakness.

This report is intended solely for the information and use of management, others within the organization and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Lyle Walker & Co., P.A.

Lyle, Walker & Co., P.A.
May 7, 2007

**NEW LIFE FOR WOMEN, INC
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**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED AUGUST 31, 2006**

1 FINDINGS

- a Sequentially numbered receipts not in agreement with the accounting records.**
- b Classification and reporting of income and expenses not consistent with the underlying accounting records.**

1 RESPONSE

- a An effective system for ensuring that sequentially numbered receipts are in agreement with the accounting records will be implemented as part of a more comprehensive system of internal control.**
- b The bookkeeping system, which was previously outsourced, will be handled within the organization, and steps will be taken to ensure the accuracy of the classification of income and expense items reported.**

See accompanying notes to financial statements.