

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

FINANCIAL STATEMENTS

AUGUST 31, 2007

**BARLOW, WALKER & COMPANY, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
BRANDON, MISSISSIPPI**

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

CONTENTS

INDEPENDENT AUDITOR'S REPORT	1-2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Statement of Functional Expenses	6
Notes to Financial Statements	7-9
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	10-11

Barlow, Walker & Company, P.A.

Certified Public Accountants

Charles S. Barlow, CPA
Kenneth G. Walker, CPA

282 Maxey Drive
P. O. Box 150
Brandon, Mississippi 39043

Members:
American Institute of CPA's
Mississippi Society of CPA's

(601)825-1310
(601)825-1326 Fax

Email: sandy@brandoncpas.com
ken@brandoncpas.com

111 Main Street
Quitman, Mississippi 39355
(601)776-3361

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, 2007, 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, 2007, 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 April 30, 2008, on our consideration of New Life for Women, Inc.'s internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of



The CPA. Never Underestimate The Value.®

that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

Barlow, Walker & Company, P.A.

Barlow, Walker, & Company, P.A.

April 30, 2008

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

STATEMENT OF FINANCIAL POSITION
August 31, 2007

ASSETS

Current Assets

Cash	\$ 8,841
Client savings on hand	2,680
Grants Receivable - U. W.	19,181
	<u>30,702</u>

Fixed Assets

Furniture, Fixtures and Equipment	90,856
Leasehold Improvements	43,641
Vehicles	30,064
	<u>164,561</u>
Less: Accumulated Depreciation	<u>(101,687)</u>
Total Fixed Assets	<u>62,874</u>

Other Assets

Deposits	<u>1,986</u>
----------	--------------

Total Assets	\$ <u><u>95,562</u></u>
---------------------	--------------------------------

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts Payable	\$ 35,927
Payroll Liabilities	15,969
Savings due to clients	2,680
	<u>54,576</u>

Net Assets

Temporarily Restricted	19,181
Unrestricted	21,805
	<u>40,986</u>

Total Liabilities and Net Assets	\$ <u><u>95,562</u></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, 2007

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue and other support			
Client Fees	\$ 59,754	\$ -	\$ 59,754
Grants	-	293,890	293,890
United Way	-	22,669	22,669
Donations	34,291	-	34,291
Other	10,928	-	10,928
Net Assets released from Restrictions	315,995	(315,995)	-
	<u>420,968</u>	<u>564</u>	<u>421,532</u>
Total Revenue and other support			
 Expenses			
Program Services	356,136	-	356,136
Supporting Services	75,895	-	75,895
Fundraising	10,401	-	10,401
Total Expenses	<u>442,432</u>	<u>-</u>	<u>442,432</u>
 Increase (Decrease) in Net Assets	<u>(21,464)</u>	<u>564</u>	<u>(20,900)</u>
 Net Assets - Beginning of Year	<u>43,269</u>	<u>18,617</u>	<u>61,886</u>
 Net Assets - End of Year	<u>\$ 21,805</u>	<u>\$ 19,181</u>	<u>\$ 40,986</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, 2007**

Cash Flows from Operating Activities:

Change in net assets	\$ (20,900)
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	10,408
Decrease in accounts receivables	517
Increase in accounts payable and accrued liabilities	19,208
Net cash provided by operating activities	<u>9,233</u>

Cash Flows from Investing Activities:

Purchase of fixed assets	<u>(7,393)</u>
--------------------------	----------------

Net Decrease in Cash and Cash Equivalents

1,840

Cash and Cash Equivalents at Beginning of Year

7,001

Cash and Cash Equivalents at End of Year

\$ 8,841

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, 2007

	<u>Treatment & Rehabilitation</u>	<u>Support Services</u>	<u>Fundraising</u>	<u>Total</u>
Auto	\$ 3,581	\$ 977	\$ 92	\$ 4,650
Depreciation	8,015	2,081	312	10,408
Food	2,188	-	-	2,188
Housing Fees	60,619	-	-	60,619
Insurance	16,640	4,322	648	21,610
Occupancy	2,199	571	86	2,856
Payroll Taxes	13,124	3,409	511	17,044
Professional Fees	22,939	5,958	894	29,791
Rent	7,561	1,964	294	9,819
Repairs and Maintenance	9,885	2,568	384	12,837
Salary	170,781	46,047	5,980	222,808
Clinical Services	7,809	-	-	7,809
Supplies and Other	12,639	3,283	493	16,415
Telephone and Utilities	18,156	4,715	707	23,578
	<u>\$ 356,136</u>	<u>\$ 75,895</u>	<u>\$ 10,401</u>	<u>\$ 442,432</u>

See accompanying notes to financial statements.

NEW LIFE FOR WOMEN, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2007

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 homeless 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 assets – unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. As of August 31, 2007, 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, 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
YEAR ENDED AUGUST 31, 2007

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 and Subsequent Event

The Bridge Corporation owned the building that New Life for Women, Inc. rented for its office through this fiscal year. New Life for Women, Inc. paid prior year accrued rent of \$9,067 and current year rent of \$9,819 to Bridge Corporation.

In December 2007, New Life for Women, Inc. purchased the building from the Bridge Corporation for \$113,341, which is the subsequent fiscal year. The proceeds for the purchase of the building was borrowed from BankPlus and amortized at 8% over five years.

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
YEAR ENDED AUGUST 31, 2007

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.

Barlow, Walker & Company, P.A.

Certified Public Accountants

Charles S. Barlow, CPA
Kenneth G. Walker, CPA

282 Maxey Drive
P. O. Box 150
Brandon, Mississippi 39043

Members:
American Institute of CPA's
Mississippi Society of CPA's

(601)825-1310
(601)825-1326 Fax

Email: sandy@brandonecpas.com
ken@brandonecpas.com

111 Main Street
Quitman, Mississippi 39355
(601)776-3361

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, 2007, and have issued our report thereon dated April 30, 2008. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered New Life for Women, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliability in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.



The CPA. Never Underestimate The Value.®

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weakness, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether New Life for Women, Inc.'s 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*.

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.

Barlow Walker & Company P.A.

Barlow, Walker, & Company, P.A.
April 30, 2008