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**NEW HORIZONS YOUTH SERVICE BUREAU, INC.
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2009**

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 2/24/10

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1-2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Activities	4
Schedule of Revenues, Other Support, and Functional Expenses by Program and Supporting Services	5
Statement of Changes in Net Assets	6
Statement of Cash Flows	7
NOTES TO FINANCIAL STATEMENTS	8-12
SUPPLEMENTARY INFORMATION	
Schedule of Federal Financial Assistance	14
Schedule of Expenditures of Federal Awards	15
OTHER INDEPENDENT AUDITORS' REPORTS	
Report On Internal Control And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i>	17-18
Report On Compliance With Requirements Applicable To Each Major Program And On Internal Control Over Compliance In Accordance With Office Of Management And Budget (OMB) Circular A-133	19-20
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	21



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
New Horizons Youth Service Bureau, Inc.
Hammond, Louisiana

We have audited the accompanying statement of financial position of New Horizons Youth Service Bureau, Inc. (the "Organization"), a Louisiana not-for-profit corporation, as of June 30, 2009 and the related statements of activities; statement of changes in net assets; cash flows schedule of revenues, other support, and functional expenses by program and supporting services 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 for 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 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 Horizons Youth Service Bureau, Inc. as of June 30, 2009, and the results of its operations 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 a report dated December 16, 2009 on our consideration of New Horizons Youth Service Bureau, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants 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 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 should be considered in assessing the results of our audit.

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Our audit was conducted for the purpose of forming an opinion on the basic financial statements of New Horizons Youth Service Bureau, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards, which is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of federal financial assistance are presented for purposes of additional analysis, and are 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 our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Silva Gurtner & Alney, LLC

December 16, 2009

NEW HORIZONS YOUTH SERVICE BUREAU, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2009

ASSETS

Current Assets	
Receivables	\$ 231,488
Prepaid insurance	3,345
Total current assets	<u>234,833</u>
 Property and Equipment	
Automobiles	85,770
Buildings and improvements	126,026
Furniture and equipment	65,619
	<u>277,415</u>
Less accumulated depreciation	<u>(161,638)</u>
	115,777
Land	<u>25,000</u>
Total property and equipment	<u>140,777</u>
 Total Assets	 <u><u>\$ 375,610</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities	
Overdraft payable	\$ 56,821
Accounts payable	16,437
Grant payable	11,126
Line of credit	73,000
Note payable - current portion	3,988
Accrued liabilities	78,581
Total current liabilities	<u>239,953</u>
 Long-Term Liabilities	
Note payable - long term portion	<u>13,453</u>
Total long-term liabilities	13,453
 Net Assets	
Unrestricted	(109,284)
Temporarily restricted	231,488
Total net assets	<u>122,204</u>
 Total Liabilities and Net Assets	 <u><u>\$ 375,610</u></u>

The accompanying notes are an integral part of this statement.

NEW HORIZONS YOUTH SERVICE BUREAU, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues and Other Support			
Government grants and contracts	\$ 1,237,404	\$ 231,488	\$ 1,468,892
Contributions in-kind	1,988	-	1,988
Program service fees	90	-	90
Donations	3,569	-	3,569
Tangipahoa United Way	38,081	-	38,081
Fundraising	22,190	-	22,190
Interest	168	-	168
Other income	21,247	-	21,247
Total revenues and other support	<u>1,324,737</u>	<u>231,488</u>	<u>1,556,225</u>
 Expenses			
Program services	1,541,713	-	1,541,713
Supporting services	23,192	-	23,192
Total expenses	<u>1,564,905</u>	<u>-</u>	<u>1,564,905</u>
 Change in Net Assets	 <u><u>\$ (240,168)</u></u>	 <u><u>\$ 231,488</u></u>	 <u><u>\$ (8,680)</u></u>

The accompanying notes are an integral part of this statement.

New Harbor Youth Service Bureau, Inc.
 Schedule of Revenues, Other Support, and Functional Expenses By Program and Supporting Services
 For the Year Ended June 30, 2005

	Program Revenues					Program Expenses		Supporting Services		Total
	United Way	Recovery & Homeless	Refugees	Mental Health Charitable	Boarding Charities	Program Revenues	ADAPT	MAST	General and Administrative	
Unrestricted revenues and other support	\$ 140	\$ 38,040	\$ 529,817	\$ 194,173	\$ 43,320	\$ 4,646	\$ 531,210	\$ 76,446	\$ 48,160	\$ 1,464,892
Governmental grants and contracts	1,948	-	-	-	-	-	-	-	-	1,948
Contributions in kind	90	-	-	-	-	-	-	-	-	90
Program service fees	3,569	-	-	-	-	-	-	-	-	3,569
Donations	81	-	-	-	-	-	-	-	-	81
Teagopolis United Way	-	-	-	-	-	-	-	-	-	21,190
Practicing	-	-	-	-	-	-	-	-	-	168
Other Income	168	-	-	-	-	-	-	-	-	31,367
33,693	-	-	-	-	-	3,475	-	-	-	37,168
Total unrestricted revenues and other support	19,528	38,940	529,817	194,173	43,320	12,121	531,210	76,766	48,160	1,544,035
Allocation of supporting service revenues	282	550	7,655	2,867	598	175	7,684	1,110	606	22,190
Total revenues and other support	19,810	39,490	537,472	201,040	43,918	12,296	538,894	77,876	48,766	1,566,225
Expenses	11,983	39,626	417,923	166,328	34,574	10,729	534,019	56,354	15,537	1,119,596
Salaries and benefits	214	-	4,634	3,203	436	132	9,207	224	371	16,338
Travel	265	-	502	10	-	-	13,937	-	-	15,206
Office supplies	2,590	-	653	143	146	31	1,523	553	624	6,432
Conferences and training	-	-	-	-	-	-	-	-	-	15,101
Dues and subscriptions	15	-	268	89	20	10	421	636	9,000	10,321
Banking charges	100	-	-	-	-	-	-	-	-	4,691
Interest	214	-	11,085	17,473	2,214	1,316	55,141	4,524	6,058	119,724
Telephone	2,823	-	1,481	695	-	-	-	-	-	5,399
Occupancy	3,308	15	7,424	4,584	652	1,453	13,122	3,422	6,448	33,122
Office expenses	370	-	12,351	2,247	591	970	29,712	7,284	920	57,405
Professional services	393	-	1,554	651	139	202	9,195	311	1,447	14,818
Repairs	3,164	-	802	349	70	60	3,304	1,374	1,071	10,071
Supplies	731	-	1,726	4,188	426	440	11,893	704	1,806	24,766
Telephone	68	-	29,116	2,312	2,393	516	24,461	549	2,577	66,417
Travel	118	-	339	1,679	318	456	1,753	1,202	-	19,535
Utilities	2,370	-	1,703	110	27	55	345	2	-	5,251
Miscellaneous	20,587	39,661	547,663	196,251	42,046	11,450	510,187	80,775	46,677	1,541,713
Total expenses	431	597	8,330	2,952	632	271	7,625	1,064	787	21,192
Allocation of supporting service expenses	26,038	40,281	555,755	199,209	42,678	11,728	317,862	71,877	50,404	1,564,905
Total expenses	\$ (8,817)	\$ (1,141)	\$ (9,383)	\$ 4,983	\$ (1,211)	\$ (6,156)	\$ 31,207	\$ 2,103	\$ (121)	\$ 14,512
Change in Net Assets										\$ (8,005)

The accompanying notes are an integral part of this financial statement.

NEW HORIZONS YOUTH SERVICE BUREAU, INC.
STATEMENT OF CHANGES IN NET ASSETS
JUNE 30, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Net assets, beginning of year	\$ 130,884	\$ -	\$ 130,884
Increase (decrease) in net assets	<u>(240,168)</u>	<u>231,488</u>	<u>(8,680)</u>
Net assets, end of year	<u>\$ (109,284)</u>	<u>\$ 231,488</u>	<u>\$ 122,204</u>

The accompanying notes are an integral part of this statement

NEW HORIZONS YOUTH SERVICE BUREAU, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (8,680)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	15,101
Change in operating assets:	
Receivables	(103,765)
Prepaid insurance	1,821
Change in operating liabilities	
Accounts payable	16,437
Grant payable	11,126
Accrued liabilities	41,080
Net cash used in operating activities	<u>(26,880)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of property and equipment	<u>(22,096)</u>
Net cash used in investing activities	(22,096)
CASH FLOWS FROM FINANCING ACTIVITIES	
Net proceeds (payments) from notes payable	17,441
Payments on line of credit	<u>(28,769)</u>
Net cash used in financing activities	<u>(11,328)</u>
Net decrease in cash and cash equivalents	(60,304)
Cash and cash equivalents, Beginning of Year	<u>3,483</u>
Cash and cash equivalents, End of Year	<u>\$ (56,821)</u>
SUPPLEMENTAL CASH FLOW INFORMATION	
Cash paid during the year for:	
Interest	<u>\$ 5,399</u>

The accompanying notes are an integral part of this statement

NEW HORIZONS YOUTH SERVICE BUREAU, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

New Horizons Youth Service Bureau, Inc. (the "Organization") was incorporated on April 20, 1978. The Organization is a non-profit organization formed to provide local resources for youth and families as a means to prevent juvenile delinquency. The Organization now serves the five Florida parishes of Tangipahoa, St. Helena, Livingston, Washington, and St. Tammany. The Organization is funded mainly through a combination of state and federal grants. They also receive funds from the United Way, local fundraising activities, and donations from other local individuals and groups. Consequently, the Organization's ability to earn revenue is affected by state and federal governmental policies.

Financial Statement Presentation

Financial statement presentation follows the guidance of the Statement of Financial Accounting Standards (SFAS) No. 116, *Accounting for Contributions Received and Contributions Made*, and SFAS No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 116 and SFAS No. 117, the Organization is required to report 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 depending on the existence and/or nature of any donor restrictions.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to separate classes of net assets as follows:

Unrestricted – Assets and contributions that are not restricted by grants or contracts or for which there are no restrictions.

Temporarily Restricted – A grant or contract imposed restriction that permits the Organization to use the donated funds as specified. The use of the funds is restricted by purpose and/or until the passage of time.

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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Programs

Crossroads – Crisis intervention program designed to reduce the number of children removed from their families due to psychiatric hospitalization.

Counseling Center – Counseling that includes group, individual, and family therapy for instances of physical, emotional, and sexual abuse in the community of Tangipahoa parish.

NEW HORIZONS YOUTH SERVICE BUREAU, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Programs (continued)

Homeward – Designed to reduce the incidence of runaway behavior and youth homelessness. The Homeward program also provides group, individual, family counseling, and parenting classes.

ADAPT – An adolescent substance abuse treatment program includes group, individual, and family therapy, as well as drug testing. Client assessment, education, counseling, and drug screening offer adolescents and their families the opportunity to break the cycle of chemical dependency.

Multi-Systemic Therapeutic – Trained therapists provide intensive in-home and community-based mental health counseling services to Medicaid-eligible individuals.

Pathways – Home based therapeutic program designed to reduce the number of youth removed from their families by the court for child abuse, neglect, and/or delinquency.

Positive Steps – Provides an array of social services including group, individual, family therapy, parenting classes, and transportation for families in the child welfare systems.

Second Step – Provides in-home parenting education for at-risk families. This program identifies services for parents identified as high-risk for child abuse or neglect.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all restricted highly liquid debt instruments purchased with an initial maturity of three months or less to be cash equivalents. Cash and cash equivalents include demand deposits and interest bearing demand deposits.

Receivables

Receivables represent amounts due from federal and state cost reimbursement grants and contracts. Amounts are stated at cost and management estimates that all amounts are collectible.

Allowance for Bad Debts

The Organization uses the direct write-off method to provide for uncollectible accounts. Management believes use of this method does not result in a material difference from the valuation method required by accounting principles generally accepted in the United States of America.

Property and Equipment

Property and equipment are recorded at cost, with the exception of donated items, which are recorded at fair market value at the date of the donation. It is the Organization's policy to capitalize expenditures for items in excess of \$500 with a useful life of at least three years. Acquisitions and donations of property and equipment are made with unrestricted assets, unless the donor imposes a restriction. Depreciation is provided over the estimated useful lives of the respective assets, approximately three to thirty-one years, on a straight-line basis. Depreciation expense for the year ended June 30, 2009 was \$15,101.

NEW HORIZONS YOUTH SERVICE BUREAU, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated Assets and Services

The Organization records noncash donations as contributions at its estimated fair value at the date of the donation. Portions of the Organization's functions are conducted by unpaid officers, board members, and volunteers. The Organization has not received donated materials and supplies as of June 30, 2009.

The Organization recognizes donated services, if significant in amount, that create or enhance non-financial assets or that require specialized skills provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Income Taxes

The Organization is a not-for-profit corporation that is exempt from both federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code.

Restricted and Unrestricted Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets, if the restrictions expire in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Functional Expense Allocation

Functional expenses are allocated among the various program services and fundraising and general and administrative categories based on actual use or management's estimate of the costs involved.

NOTE B – CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash balances in one financial institution located in Hammond, Louisiana that may at times exceed amounts covered by insurance provided by the Federal Deposit Insurance Corporation up to \$250,000. The Organization's cash balances were not in excess of the FDIC insurance at June 30, 2009. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash.

NOTE C – COMPENSATED ABSENCES

The Organization's full-time employees receive from ten to twenty days of annual paid leave upon completion of twelve months of employment, depending on employee classification. Not more than ten days of accrued vacation may be carried over to the following year. Full-time employees earn one day of sick leave per month based on varying terms of service which are forfeited upon termination. Annual leave vests with the employee, and therefore, has been accrued. The amount of accumulated unpaid leave at June 30, 2009 was \$24,970.

**NEW HORIZONS YOUTH SERVICE BUREAU, INC.
NOTES TO FINANCIAL STATEMENTS**

NOTE D – RESTRICTIONS ON NET ASSETS

At June 30, 2009, temporarily restricted net assets consists of:

Pathways	\$ 62,802
Mental Health Crossroads	29,141
Second Step	4,208
Positive Steps	69,144
ADAPT	18,033
MST	48,160
Total	<u>\$ 231,488</u>

NOTE E – NOTE PAYABLE

The Organization entered into a note payable of \$17,841 bearing an in interest rate of 7.99% in April 2009, and is secured by collateral. The note payable balance at June 30, 2009 was \$17,441.

Future scheduled maturities of notes payable are as follows:

Years ending June 30:	
2010	\$ 3,988
2011	4,324
2012	4,688
2013	4,441
	<u>\$ 17,441</u>

NOTE F – LINE OF CREDIT

The Organization entered into a \$77,000 line of credit with a local financial institution which bears a variable interest rate in March 2009, and is secured by collateral. The line of credit balance at June 30, 2009 was \$73,000 and expires March 10, 2010.

NOTE G – RECEIVABLES

Receivables consist of the following at June 30, 2009:

Federal and state cost reimbursements	\$ 183,328
Program service fees	48,160
	<u>\$ 231,488</u>

NOTE H – CONCENTRATIONS OF PROGRAM FUNDING

The mission of the New Horizons Youth Service Bureau, Inc. is to improve the physical and emotional well being of the children, youth, and families of the Florida parishes and to increase the capacity of families to effectively care for their children.

A substantial portion of the Organization's support and revenue is derived from restricted grants and cost based reimbursement contracts for the various programs conducted. The various grants and contracts are approved on a year-to-year basis. Any unexpended grant funds or unauthorized expenditures charged against the programs must be refunded.

NEW HORIZONS YOUTH SERVICE BUREAU, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE H – CONCENTRATIONS OF PROGRAM FUNDING (continued)

Approximately 92% of the Organization's funding is from these contracts and grants received from Federal, State and Local government agencies. The remaining funding is generated from United Way agency, service fees and fundraising events.

NOTE I – FUNDRAISING REVENUES

Fundraising revenues are presented at gross, with related expenses presented separately in the accompanying financial statements. Revenue for the year ended June 30, 2009 was \$22,190 with related expenses of \$8,091.

NOTE J – THIRD PARTY REVENUES

A substantial share of contract revenues for services to clients is derived under federal and state third-party reimbursement programs. These revenues are based, in part, on cost reimbursement principles and are subject to audit and retroactive adjustment by the respective third-party providers. Retroactive adjustments, if any, are not considered by management to be material to the financial position or results of operations of the Organization.

NOTE K – LEASES

The Organization has a lease agreement for a commercial building located in Hammond, Louisiana, with a monthly rental cost of \$1,650, which expired September 30, 2008. Rent expense was \$6,600 for the year ended June 30, 2009.

In September 2005, the Organization entered into an operating lease for a van which expired August 2008 with a monthly payment of \$560. In April 2009, the Organization entered into a new operating lease agreement for a van for Positive Steps. This lease has a monthly payment of \$531 and expires June 2011. Total vehicle lease expense for the year ended June 30, 2009 was \$2,713.

NOTE L – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 16, 2009, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

NOTE M – CONTINGENCIES AND COMMITMENTS

The Organization is a defendant in one criminal action case. The Organization intends to vigorously defend this action which it considers to be groundless. The case is in the early phases of discovery, thus the ultimate resolution of this matter is not ascertainable at this time. No provision has been made in the financial statements related to this claim. Management believes that any liability or loss will not exceed the amount covered by the insurance.

SUPPLEMENTARY INFORMATION

**NEW HORIZONS YOUTH SERVICE BUREAU, INC.
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2009**

Description	CFDA Number	Grant Number	Grant Period		Total Grant Award	Accrued/ (Deferred) Revenue June 30, 2008	Assistance Received during the Year	Accrued/ (Deferred) Revenue June 30, 2009	Total Revenue Recognized	Total Federal Expenditures
			From	Through						
U.S. Department of Health and Human Services										
Runaway and Homeless Youth Social Services (Pathways)	93.623	06CY084003	09/30/05	09/29/08	\$ 131,059	\$ -	\$ 50,066	\$ -	\$ 50,066	\$ 38,940
Social Services (Second Step)	93.958	N/A	N/A	N/A	N/A	-	249,164	62,801	311,965	268,062
Family Preservation and Support Services (Positive Steps)	93.667	664394	07/01/08	06/30/11	120,000	2,914	36,302	4,208	37,596	42,046
SAMHSA (ADAPT)	93.556	666913	09/01/08	08/31/11	1,717,257	46,822	448,990	69,144	471,312	510,187
Mental Health Services (Crossroads)	93.959	667877	07/01/08	06/30/09	74,000	5,313	62,138	18,034	74,859	70,773
	93.958	666565	07/01/08	06/30/09	187,195	16,928	166,552	29,141	178,765	196,257
TOTAL					\$ 2,229,511	\$ 71,977	\$ 1,013,212	\$ 183,328	\$ 1,124,563	\$ 1,126,265

**NEW HORIZONS YOUTH SERVICE BUREAU, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED JUNE 30, 2009**

<u>PROGRAM</u>	<u>CFDA #</u>	<u>Amount</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
Pass-through programs from:		
Social Services		
Positive Steps	93.556	\$ 510,187
Second Step	93.667	42,046
Pathways	93.958	268,062
Florida Parishes Human Services Authority		
Crossroads	93.958	196,257
Adapt	93.959	70,773
Runaway and Homeless Youth	93.623	<u>38,940</u>
Total federal expenditures		<u><u>\$ 1,126,265</u></u>

Notes to Schedule of Expenditures of Federal Awards:

Note 1 - Summary of Significant Accounting Policies

a. Basis of Presentation

This schedule includes the federal grant activity of New Horizons Youth Service Bureau, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

b. Accrued Reimbursement

Various reimbursement procedures are used for federal awards received by the Organization. Consequently, timing differences between expenditures and program reimbursements exist at the end of the year.

Note 2 - Reconciliation of Federal Grant Revenue to Expenditures of Federal Awards

Expenditures of federal awards during 2009	\$ 1,126,265
Expenditures recognized in prior year but revenue received during 2009	47,989
Expenditures in excess of reimbursement allowed under the grant	(60,817)
Unearned revenue for 2009 to be returned to awarding agency	<u>11,126</u>
Total federal grants revenue	<u><u>\$ 1,124,563</u></u>

OTHER INDEPENDENT AUDITORS' REPORTS



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

To the Board of Directors
New Horizons Youth Service Bureau, Inc.
Hammond, Louisiana

We have audited the financial statements of the New Horizons Youth Service Bureau, Inc. as of and for the year ended June 30, 2009, and have issued our report thereon dated December 16, 2009. 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the New Horizons Youth Service Bureau, 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 New Horizons Youth Service Bureau, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the New Horizons Youth Service Bureau, Inc.'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 New Horizons Youth Service Bureau, Inc.'s ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the New Horizons Youth Service Bureau, Inc.'s financial statements that is more than inconsequential will not be prevented or detected by the New Horizons Youth Service Bureau, Inc.'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 New Horizons Youth Service Bureau, Inc.'s internal control.

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 weaknesses, as defined above.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the New Horizons Youth Service Bureau, 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 or other matter that are required to be reported under *Government Auditing Standards*.

This report is intended for the information and use of the finance committee, the board of directors, management, United Way, federal awarding agencies, pass-through entities, and the Louisiana Legislative Auditor. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Silva Gurtner & Abney, LLC

December 16, 2009

Silva Gurtner & Abney

Certified Public Accountants & Consultants

Brent A. Silva, CPA
Craig A. Silva, CPA*
Thomas A. Gurtner, CPA*
Kenneth J. Abney, CPA, MS Tax*

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OFFICE OF MANAGEMENT AND BUDGET (OMB) CIRCULAR A-133

To the Board of Directors
New Horizons Youth Service Bureau, Inc.
Hammond, Louisiana

Compliance

We have audited the compliance of New Horizons Youth Service Bureau, Inc. with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. New Horizons Youth Service Bureau, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the New Horizons Youth Service Bureau, Inc.'s management. Our responsibility is to express an opinion on the New Horizons Youth Service Bureau, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the New Horizons Youth Service Bureau, Inc.'s compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the New Horizons Youth Service Bureau, Inc.'s compliance with those requirements.

In our opinion, the New Horizons Youth Service Bureau, Inc. complied, in all material respects, with the requirements referred to each of its major federal programs for the year ended June 30, 2009.

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Internal Control over Compliance

The management of the New Horizons Youth Service Bureau, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the New Horizons Youth Service Bureau, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the New Horizons Youth Service Bureau, Inc.'s internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. *A significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance 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 compliance that we consider to be material weaknesses, as defined above.

This report is intended for the information and use of the finance committee, the board of directors, management, United Way, federal awarding agencies, pass-through entities, and the Louisiana Legislative Auditor. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Silva Gurtner & Abney, LLC

December 16, 2009

**NEW HORIZONS YOUTH SERVICE BUREAU, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unqualified		
Internal control over financial reporting:			
Material weaknesses identified?	_____ yes	_____ <u>X</u> _____	no
Significant deficiencies identified not considered to be material weaknesses?	_____ yes	_____ <u>X</u> _____	none reported
Noncompliance material to financial statements noted?	_____ yes	_____ <u>X</u> _____	no

Federal Awards

Internal control over major programs:			
Material weaknesses identified?	_____ yes	_____ <u>X</u> _____	no
Significant deficiencies identified not considered to be material weaknesses?	_____ yes	_____ <u>X</u> _____	none reported

Type of auditors' report issued on compliance
for major programs:

Unqualified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510 (a)?	_____ yes	_____ <u>X</u> _____	no
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Identification of major programs:

CFDA Numbers

Name of Federal Program or Cluster

93.556

Family Preservation and Support Services

Dollar threshold used to distinguish
between Type A and Type B programs:

_____ \$300,000 _____

Auditee qualified as low-risk audit?

_____ X _____ yes _____ no

**Section II - Internal Control & Compliance
Governmental Auditing Standards
OMB Circular A-133**

No findings noted for the year ended June 30, 2009.